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Wall Street Tumbles as Profit Fears Take Hold

Earnings Outlook Sours on Warnings From High-Fliers

By Lawrence Malkin
International Herald Tribune

NEW YORK — Wall Street ran into a wall of worry Thursday over whether the bull market of the 1990s is finally over. It now appears that it hit the top in May, and has been bumping downward ever since.

Fears about technology stocks and rising interest rates, plus a decline in the rate of new money flowing into mutual funds, sent all major stock market indexes reeling. The Dow Jones industrial average fell 83.11 points, 5,520.54.

Stocks began their steep descent after Hewlett-Packard and United Healthcare, companies in two high-flying sectors, reported that business was not as good as expected.

The Hewlett-Packard announcement, which followed the release late Tuesday of a disappointing profit report from Motorola, caused a huge sell-off of technology stocks. (Page 15.)

The Nasdaq composite index, which contains many tech issues, plunged 34.84 points, or 3 percent, to 1,106.35.

A small gain in the Dow industrials on Tuesday turned out to be a temporary respite from a 3 percent tumble that started Friday, when the Dow fell 115 points following a strong report on employment that raised fears inflation and higher interest rates.

The Dow is now about 4.5 percent lower than its record high of 5,778.00, set May 22. Even bullish forecasters such as Al Goldman of A.I. Edwards have begun began talking about a market "correction" down to 5,200, which would mean a 10 percent drop from the record.

"We needed a correction and we're getting it," he said.

The huge drop in the Nasdaq composite index Thursday indicates just how worried investors are about technology stocks, which have given the market much of its sizzle. The index is now 11 percent below its record high of 1,249.14, set June 5.

"Technology has been the cutting edge of this market, and if it fails, it will take the market with it," said Larry Wachtel of Prudential Securities.

Others pointed out that this was not a just a one-sector phenomenon, but that there was now genuine worry that corporate profits would be squeezed by higher interest rates, wage pressures and an inability to raise prices in the global marketplace.

For once, the market was driven by concern over the real economy and did not just follow the bond market's interest-rate gyrations. Some cash seemed to move from stocks to bonds: The price of the 30-year Treasury bond edged higher, pushing its yield down to 7.05 percent

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Dow Jones	Trib Index
Down 83.11	Down 0.40%
5520.54	136.29

The Dollar

New York,	Thurs. close	previous close
DM	1.5213	1.5263
Pound	1.5525	1.5526
Yen	110.265	110.395
FF	5.1475	5.1865

Ignacio Hanno-Private

A bloodied protester standing amid Ulster police in Drumcree on Thursday after violence erupted over a march.

Violence Over Ulster March Spreads

Catholics Erupt After Police, in Shift, Allow Unionist Parade

By Fred Barbash
Washington Post Service

PORTADOWN, Northern Ireland — Sectarian disturbances, fear and bitter recrimination engulfed Northern Ireland Thursday night after attempts by the police to defuse one conflict over "marching rights" to half a mile of road succeeded only in igniting others.

The fifth consecutive day of violence here began when police, fearing a bloody clash with the massed forces of a traditionalist Protestant fraternal organization, abruptly reversed an earlier decision and allowed them to parade through a Roman Catholic neighborhood on the outskirts of the town of Portadown.

To get them through, the police had to forcibly remove hundreds of Catholics who had sat down in the road in protest. In the hours that followed, police fought with the Catholics, cars were set ablaze and makeshift barricades erected here and elsewhere in the province.

Cries of "betrayal" from Protestant politicians, angered by what they had considered a denial of their historic parade rights, were quickly replaced by cries of betrayal from their Catholic counterparts.

And as night fell, plumes of smoke rose over Belfast again and more planeloads of British troops landed at the city's international airport preparing for the possibility of further trouble.

The disturbances this week, the worst in two years, have effectively taken the word "peace" out of Northern Ireland's tattered "peace process," with nearly everyone now expressing fears of a slow descent to the much more deadly sort of conflict that claimed 3,000 lives here between 1969 and the cessation of hostilities declared by Catholic and Protestant paramilitary groups in the summer and fall of 1994.

The immediate cause is the traditional "marching season," during which members of the Orange Order, Northern Ireland unionists — they call themselves loyalists — commemorate

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Allies Press U.S. To Back Down On Cuba Sanctions

EU and Canada Vow to Adopt Tough Retaliatory Measures

By Alan Friedman
International Herald Tribune

PARIS — European and Canadian leaders on Thursday threatened tough retaliation against the United States unless President Bill Clinton agrees to soften key provisions of a U.S. law that would impose sanctions on companies doing business with Fidel Castro's Cuba.

If Washington does not back down, a European Commission spokesman said, European governments "will act to defend themselves — alone, together or both."

Canada's trade minister, Art Eggleton, said angrily, "It's a ridiculous piece of legislation, it needs to be rethought. He added: "Cooler heads need to prevail, and particularly when they get outside this election year hopefully this will happen."

While U.S. officials said that President Clinton was engaged in a round of telephone diplomacy with several European leaders, trying to soothe allied concerns, European Union officials said that a list of trade retaliation options was being readied. The list includes a blacklist by government procurement agencies of American companies selling goods and services in Europe, an official said.

In a letter of protest that was sent to the White House on Thursday night, Jacques Santer, the president of the European Union, told Mr. Clinton that although Europe and the United States shared the goal of achieving democracy in Cuba, "such acts taken against allies do nothing to advance our common cause."

Mr. Santer's protest followed a similar message earlier this week in Washington that was delivered to the State Department by the EU ambassador, Hugo Paemen. The Italian foreign minister, Lamberto Dini, has also been telling Washington to soften the legislation, officials said.

In Ottawa, Mr. Eggleton said that Canada was ready to demand that a dispute settlement panel under the North American Free Trade Agreement halt application of the Helms-Burton law, which is aimed at curbing foreign investment in Cuba.

Mr. Clinton signed the bill last March, less than a month after Cuba shot down two American civilian airplanes. Both European and Canadian officials have said they fear that Mr. Clinton may not soften the legislation if he is afraid that such a move would weaken him against the Republican presidential candidate, Bob Dole.

The section of the legislation that has infuriated America's allies is Title III, under which lawsuits could be brought against any companies deemed to have profited from property expropriated by Havana since Mr. Castro came to power 37 years ago. Mr. Clinton has the authority to waive this section by next Monday.

Sir Leon Brittan, the EU trade commissioner, has denounced the law as "extraterritorial and expropriatory" and America's partners attending the recent Group of Seven summit in Lyon, including Japan, also expressed their concerns.

"We are awaiting President Clinton's decision with respect to Title III of Helms-Burton, which he will publish on Monday," said Mr. Eggleton. "And then we will also be consulting with the Mexicans, our partners in this, but I suspect we will be proceeding with the dispute settlement panel."

Explicit warnings to Washington were also made Thursday by British, Italian and EU officials. The threats followed Canadian anger over a State Department decision on Wednesday to ban from the United States several executives and board members of Sherritt International, a Canadian mining company that does business in Cuba.

The British government also protested U.S. visa restrictions that were imposed on two British citizens who are members of the board of Sherritt International. A Foreign Office spokesman said Thursday that Sir Patrick Sheehy, former chief of the BAT tobacco giant, and Rupert Pennant-Rea, former deputy governor of the Bank of

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UN Tribunal Orders Arrest Of Karadzic And Mladic

By Jonathan C. Randal
Washington Post Service

THE HAGUE — The international war crimes tribunal issued mandatory worldwide arrest warrants Thursday against the Bosnian Serb leader, Radovan Karadzic, and his army commander, thus increasing pressure on the United States and its NATO allies to honor earlier commitments to bring them to justice.

The international warrants against Mr. Karadzic and General Ratko Mladic were issued on the first anniversary of the fall of Srebrenica, the United Nations "safe area," where thousands of Bosnian Muslims were killed in the worst massacre in Europe since the end of WWII.

For the first time, the International Criminal Tribunal for former Yugoslavia also suggested that President Slobodan Milosevic of Serbia might have been directly involved in helping Mr. Karadzic and General Mladic prosecute the war in Bosnia.

In a two-hour summation of eight days of testimony against Mr. Karadzic and General Mladic, who have been indicted in war crimes, the presiding judge, Claude Jorda, invited the prosecutor to "investigate decision-making responsibility at the same, or higher, level."

The decision of the three-magistrate court did not specifically mention Mr. Milosevic's name on that score, but the intent was clear, according to court sources. They noted that the phrase followed a passage quoting a statement by Mr. Milosevic in 1993 in which he spoke of Serbia's "sacrifices" in helping the Bosnian Serbs "realize the majority of their goals" in the war.

Judge Jorda also asked the prosecutor to expand the charges of genocide filed

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Hinting Over, Perot Jumps Into Race

By Richard L. Berke
New York Times Service

WASHINGTON — Declaring that "the American people want me to do this," Ross Perot thrust himself into the 1996 presidential race on Thursday, and his candidacy immediately drew encouragement from the White House but scoffs from Bob Dole.

In characteristic fashion, Mr. Perot topped off months of hints and speculation with a television appearance on Thursday morning in which he said he was the best qualified to be the nominee of the Reform Party that he founded.

"Whatever it takes to leave a better country for our children and grandchildren, if anybody should do it, I should do it," Mr. Perot said in a television interview. "And I'm in a unique position to do it, but I want to keep it wide open."

Asked why he did not formally announce his candidacy on the program, Mr. Perot said he already had. Mr. Perot's comments on Thursday were far stronger than those the night before on the CNN program "Larry King Live," when he restated his willingness to run if his backers wanted him to.

Mr. Perot's decision raised the specter of a reprise of the 1992 campaign, when his independent bid drew nearly 19

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Dole Squirms in Powell's Shadow

New York Times Service

WASHINGTON — It is as if Colin L. Powell never said "No."

Eight months after he bowed out of the Republican presidential competition, to Bob Dole's relief, Mr. Powell's haunting presence is still causing fitful days for Mr. Dole and the Republican Party.

The Dole high command is taking the retired general at his word that he does not have the slightest interest in the vice presidential slot. "It's dead as a doornail," a senior aide said.

So now, Mr. Dole faces pressure to come up with a flashy running mate to slake voters' thirst for a Dole-Powell ticket. The conundrum is that anyone he chooses might end up being viewed as the second choice.

Beyond the vice presidential choice, Republicans are consumed with speculation over whether Mr. Powell, the former chairman of the Joint Chiefs of Staff, might be willing to be the keynote speaker at the party's national convention (he is not); whether he might put Mr. Dole's name in nomination (probably not), and over the number of appearances he will make on behalf of Mr. Dole this fall (he is keeping his datebook a secret).

Intentionally or not, Mr. Powell has become a nagging distraction in other ways. He has publicly prodded Mr. Dole to move to the center, and remarked Wednesday that the candidate should have attended the NAACP convention this week in Charlotte, North Carolina.

[Explaining why he bypassed the NAACP convention, Mr. Dole said Thursday that he probably would have

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Corruption Scandal Bedazzles Mexicans

Those With Clout Gorged Themselves on Sale of State Industries

By Molly Moore
and John Ward Anderson
Washington Post Service

MEXICO CITY — In a summer blockbuster more gripping than a soap opera and with as many big names as a hit movie, a spreading corruption scandal is sucking in some of Mexico's rich and famous and is rewriting the history of what was once hailed as Mexico's golden era of progress.

As government investigations gush new leaks by the day, allegations of corruption and suspect business deals have touched some of the country's most powerful businessmen, including a billionaire television mogul, a banking baron and a cellular telephone magnate — as well as a former president and his brother.

The interlocking investigations by the attorney general's office and a congressional commission have led some to question the nature and intent of Mexico's recent efforts to transform itself from a poor, developing nation into a force on the world economic stage.

Each of the men caught up in the burgeoning scandal played a critical role in former President Carlos Salinas de Gortari's widely praised effort to modernize Mexico's economy by privatizing its stodgy government-run enterprises. Each of the men, according to investigators, had some connection with the president's brother, Raúl Salinas, who is now in prison. And each of the men, according to Forbes magazine, became a billionaire during the 1988-94 Salinas administration.

Now Mr. Salinas's privatization process, which U.S. officials held up as a model for developing nations and which remains a cornerstone of Mexico's current modernization efforts, has become "no more than a synonym for handing over the crown jewels to the best friends of the court," according to a weekend editorial in the Mexico City Times.

Officials in the current administration of President Ernesto Zedillo have taken pains to assure Mexicans that newly planned privatization projects, such as that involving the country's railroads, will be honest. But some critics are skeptical.

"We still don't have the system of controls to make sure the actions of this administration will be more honest than the ones of Salinas," said Sergio Aguayo, leader of the Civic Alliance, a pro-democracy coalition.

While the Mexican authorities, as well as law enforcement agencies in several other countries, have been investigating the finances of Raúl Salinas for nearly two years, the names of several leading businessmen involved in deals with him only began surfacing in the last few days. All who have been named deny any wrongdoing.

Raúl Salinas is currently in prison, accused of masterminding the assassination of his former brother-in-law, José Francisco Ruíz Massieu, the second-ranking official in the country's ruling

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Doug Mills/The Associated Press

AHEAD OF THE CURL — An intrepid North Carolina surfer getting in a run Thursday before the arrival of Hurricane Bertha. Page 3.

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AGENDA

New U.S. Drive On Burma Junta

The United States will consult its allies in Southeast Asia on curbing a "new tide of repression" in Burma, including a possible international economic boycott, according to Secretary of State Warren M. Christopher.

But Mr. Christopher, who is to meet foreign ministers from the Association of South East Asian Nations in Jakarta on July 23 to 25, said he did not expect an early consensus on a boycott to push Burma's junta toward democratic reform.

Mr. Christopher said the United States would press Asian nations to use their influence to "stem this new tide of repression in Burma."

He said he thought an international agreement on carrying out economic sanctions was "unlikely at the present time." Page 4.

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Crime of Passion, or More Sinister? / **Murder in Brazil**

Dark Secrets, Buried With Their Owner

By Gabriel Escobar
Washington Post Service

MACEIO, Brazil — Paulo César Farias was, for better or worse, the sole custodian of some of Brazil's darkest secrets. Whether from the witness stand, from a prison cell or from his elegant, walled-in compound by the sea, the portly businessman wielded his sepulchral silence like a weapon and lived handsomely in return.

The question now in this northeastern capital built on sugar and known for the sweetest deals is whether a man so feared for what he knew could possibly have died as the police think he did. Was P. C., as he was called, killed by Suzana Marcolino — not by one of the many prominent figures who presumably stood to lose if his famed silence was broken, but by an angry girlfriend who then, conveniently for all, turned the gun on herself?

However he died last month, Mr. Farias took a lot to his grave. A notorious figure, Mr. Farias was the wizard behind a $178 million campaign kickback scheme that helped elect Fernando Collor de Mello president in 1990. His subsequent role in the Collor government was as a high-powered bag man, the linchpin in a gargantuan influence-peddling operation whose extent may never be known.

After the scandal drove Mr. Collor from office in 1992, Mr. Farias was tracked to Bangkok, eventually tried in Brazil and convicted. But his refusal to name names turned him into "The Living Archive," as the media dubbed him, the scandal's mute gatekeeper.

"P. C., in a way, was transformed into a myth by the media in Brazil — people never expected a genius to be killed so simply," said his brother, Luiz Romero Farias, who along with the police and the rest of the family believes that the crime was a murder-suicide, which puts them in a minority in Brazil. "The public thought Paulo should have been killed by a tank, or a plane, or a remote control bomb. That's why we have so many versions about the homicide."

Versions there certainly are, each with ardent believers and many leaning toward dark conspiracies. Was it a double homicide? Was Suzana set up and then executed? It is a fittingly nebulous end for a man whose political career was so enveloped in shadow.

THE EVOLUTION of the case since the deaths of Mr. Farias and his girlfriend on June 23 is, in a way, quintessentially Brazilian — large and complex, full of passion and politics, love and class, sex and money, a Verdian soap opera set in the tropics. It has fixed itself in the public mind with such ferocity that every development draws a crowd, as happened last week when the exhumed corpses were escorted under military guard to a medical examiner's office.

Opinions on what may have occurred in the now famous beach house are likely to be whispered — out of fear, or for effect. A casket salesman keeping vigil outside the medical examiner's office explained his views by rubbing his thumb against his forefinger, indicating that money, not love gone awry, was behind the deaths. A prominent politician, sitting in a hotel lobby, leans over and whispers the same thing.

Mr. Farias's confessor, relaxing before celebrating evening Mass, dismisses the murder-suicide theory with an impatient wave of the hand. "I don't believe it," said the Reverend Luis Oliveira Santos, who met Mr. Farias in the early 1960s, celebrated his wedding Mass, baptized his children, presided over his wife's funeral and, finally, delivered the sermon during P. C.'s own funeral at the cathedral here.

"I hope he is in the other life, close to God," he said, in a comment that typifies the admiration Mr. Farias inspired here. "He suffered a lot, and of all the big thieves in Brazil, the only one who went to jail was Paulo César Farias."

Reuters

A notorious figure, Mr. Farias was the wizard behind a $178 million campaign kickback scheme that helped elect Fernando Collor de Mello president in 1990.

If the main story line is the shadow cast on his death by his role during Mr. Collor's presidency — Mr. Farias was the only person to be convicted, out of dozens of influential people whom he could have implicated — then the subplot is the 28-year-old Miss Marcolino. She already had a decade-long career as a girlfriend to influential politicians when she began visiting Mr. Farias in jail in 1995, where he was serving a light sentence for his role in the tainted campaign.

These twin plot lines are, of course, driven by money. Mr. Farias, who has two teenaged children, is believed to have funneled tens of millions of dollars to overseas accounts. Most of the money was collected during Mr. Collor's regime in exchange for political favors and is still unaccounted for.

Miss Marcolino also thrived. A police inspector, Cicero Torres Sobrinho, said Mr. Farias set up a bank account for her and was the financial backer for her clothing boutique. Miss Marcolino's sister, Ana Luisa Noaro, said Mr. Farias was courtly and paternal, assigning a security guard to the boutique and occasionally visiting the Marcolino house.

IN THEIR relationship, however, all was not well. And so when Mr. Torres received an urgent call from a colleague at 11:20 A.M. on June 23, the case became a national obsession. "The first thing that came to my head," said the 15-year police veteran, "was that it could be the result of P. C.'s involvement in the worst financial scandal in this country."

But the crime scene, as well as a mountain of circumstantial evidence, convinced Mr. Torres otherwise. His theory of a murder-suicide has been criticized and is now being tested by a team of prominent forensic specialists. The foremost foe here is Colonel George Sanguinetti, a professor of forensic studies.

Poring over autopsy pictures, Mr. Sanguinetti suggests that the bodies were moved, that the bullets' trajectory does not make sense and that Marcolino's bloodied corpse is not consistent with suicide.

"All of this indicates that there was a third person at the scene of the crime," he said. "We can show that it is not a crime of passion. It was a double homicide."

BUT BARRING further developments, Mr. Torres's preliminary conclusion is still on firm ground. Unchallenged is the fact that Miss Marcolino bought the murder weapon nine days before the killing and learned how to shoot. More important, all agree that Mr. Farias had fallen in love with Claudia Dantas, a society woman whom he met in May and intended to marry.

Mr. Farias hired an investigator to tail Miss Marcolino. Mr. Torres said the apparent intent was to catch her in an infidelity, which would give Mr. Farias the excuse he needed to end their relationship. She did not disappoint. The investigator tracked her to a São Paulo motel, where she checked in with her dentist.

Less than 48 hours later, after P. C. had promised Miss Dantas to break up with Miss Marcolino and after a night of heavy drinking at the beach house, security guards there heard Mr. Farias and Miss Marcolino fighting. The rest is surmised.

Mr. Torres says Miss Marcolino may have acted less out of passion than out of greed. P. C., he says, had begun cutting off her funds, and her checks had bounced.

Ana Luisa said her sister was "docile" and "not aggressive." But could she have been driven to kill? She had been at P. C.'s side during his most difficult moments, and now, when he was considering running for office, she was being asked to step aside for a society dame.

"There was a huge cultural distance between Paulo and her," said Luiz Romero Farias. "She did not belong to his plans for the future. I think she built a castle based on this future, and then he started giving signs that this future would not exist. I think the castle just crumbled, and I think that is the reason."

Cocktail of New Drugs Nearly Knocks Out HIV

By Lawrence K. Altman
New York Times Service

VANCOUVER, British Columbia — When used in combination, two members of a new class of drugs have forced the amount of AIDS virus down to virtually undetectable levels in infected people, according to very early results of a small study reported here at an international meeting on AIDS.

The combination had a more potent effect against the human immunodeficiency virus than would be expected from either drug alone, said Dr. Martin Markowitz, one of the researchers who conducted the study.

Although the drugs apparently stopped replication of the virus, it remained in the body after treatment with the drugs, ritonavir and saquinavir, which are protease inhibitors.

In recent months, the Food and Drug Administration has approved the two drugs and another protease inhibitor, indinavir, for marketing in the United States.

The study is believed to be the first to determine the safety and efficacy of protease inhibitors when patients take them simultaneously. In other studies, combinations of one protease inhibitor drug with two older drugs like AZT and 3TC, which target a different component of the AIDS virus, have produced similar dramatic and sustained drops in the amount of HIV in the blood.

The earliest such studies are still in progress and many more are being planned to determine the optimal therapy and when to begin it.

Dr. Markowitz said the findings, though preliminary, were important because some experts had predicted that the combination of protease inhibitors would produce serious liver damage.

"It did not happen," he said in an interview.

Dr. Markowitz said it was unlikely that the ritonavir-saquinavir combination would become a standard therapy because more potent combinations were likely to be needed.

For instance, he said his group at the Aaron Diamond AIDS Research Center in New York was planning to study a combination of four anti-HIV drugs, including ritonavir, saquinavir, AZT and 3TC, in up to 24 patients.

Although Dr. Markowitz and other scientists have expressed hope that they can someday eliminate HIV from the body, they say that different combinations need to be tested and newer drugs developed.

The 120 participants in the study, in seven cities including New York, had been known to be infected with HIV for an average of nearly six years. All had serious damage to their immune systems and had stopped whatever drugs they had been taking.

They were divided into four groups that received different amounts of the two drugs, though the amounts taken in combination were generally lower than when the drugs were taken alone. The groups will be followed for long periods of time. The report given in Vancouver concerned the 43 patients who completed only the first six weeks of therapy.

Two of the 43 patients did not respond to the combination therapy for unknown reasons, the researchers said. Three percent of the participants dropped out of the study because they could not tolerate one or both drugs. The side effects were reported as mild. The most common included tingling around the mouth, diarrhea and fatigue.

Agencies Split Over Pace Of U.S. Air Safety Upgrade

By Don Phillips
Washington Post Service

WASHINGTON — The Federal Aviation Administration has proposed requiring airlines to spend more than $300 million over four years to upgrade flight data recorders, the "black boxes" that help investigators determine why planes crash.

The proposed rule was drafted under pressure from the National Transportation Safety Board, which has said that its investigations into unexplained crashes of Boeing 737s at Colorado Springs in 1991 and Pittsburgh in 1994 have been hampered by inadequate recorders.

The safety board chairman, James E. Hall, called the proposed rule inadequate in that it allowed too much time to phase in the enhanced recorders and did not single out the 737 for faster upgrades. He said the proposal failed to take into account the welfare of travelers.

The board recommended in February 1995 that upgrades be required on all airliners and that a faster schedule — the end of 1995 — be set for 737s, the world's most numerous jetliner. In May 1995, the Federal Aviation Agency offered opinions on the recommendations and later drafted a proposed rule for existing and future airliners, although it did not suggest a speeded-up process for the 737.

The proposal then sat for months, undergoing review in the Transportation Department and later for weeks in the White House Office of Management and Budget. Sources said the Transportation Department was concerned about the high cost of the proposal to the airlines — $316.4 million.

A near-crash of a 737 approaching Richmond, Virginia, on June 9, however, gave the safety board an opportunity to beat the drum again for upgraded recorders, and the resulting publicity apparently spurred the government's action.

TRAVEL UPDATE

Strike Averted at British Airways

LONDON (Reuters) — British Airways pilots called off plans Thursday to strike after they reached agreement on a pay package, the pilots' union said.

The pilots had planned to walk out Tuesday in a move would have caused chaos for thousands of summer travelers. Although details of the settlement were not disclosed, the union said it had achieved the key objectives of pilots and flight engineers, including higher pay for pilots based at London's Gatwick Airport.

The union general secretary, Chris Darke, said the outcome of three days of talks with the airline was a "tremendous result" for the union. The settlement must still be approved by the union membership.

ValuJet Flight Attendants Clash

WASHINGTON (AP) — The safety of ValuJet was brought into question again when flight attendants argued before a congressional committee about the airline and its treatment of its employees.

The attendants testified before the House Transportation and Infrastructure Committee at a hearing on a bill to provide protection for "whistleblowers."

Susan Clayton, a ValuJet flight attendant and president of the Atlanta local of the Association of Flight Attendants, lashed out at the company, saying it had shown little interest in flight attendants' reports about safety violations. But Mimi Halperin, another ValuJet flight attendant, strongly denied that claim, saying safety was the airline's No. 1 priority.

British Postal Strikes

Agence France-Presse

LONDON — A cycle of summer strikes in Britain intensified Thursday when the Communication Workers Union announced four postal strikes. Strikes by sorting, office and delivery workers are set for the periods July 18-19, July 26-27, July 31-Aug. 2 and Aug. 6-7.

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America Hurricane Bertha could bring heavy rains and gusty winds to the mid-Atlantic coast, including New York and Philadelphia, Saturday, then New England Sunday. Showers and thunderstorms will dampen the Great Lakes and Ohio Valley, while the Southwest is sunny and hot.

Europe Dry and warmer through Monday in Paris, London, Amsterdam and Berlin. Cool weather with showers will be found in Minsk and Riga Saturday, followed by drier weather. Moscow will be hot this weekend, then cooling down Monday. Sunshine and warm to hot in Spain, Portugal and Italy.

Asia Beijing will be cool with a few showers and perhaps a thunderstorm form time to time, while Tokyo will be mainly dry. Showers will dampen Seoul Saturday, then mainly dry through Monday. Hong Kong and Singapore will be hot and humid with a hit-or-miss thunderstorm possible each day.

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	28/82	19/66 pc	28/82	19/66 pc
Amsterdam	21/70	16/61 pc	22/71	14/57 pc
Antwerp	26/95	14/61 pc	31/88	21/70 s
Athens	31/88	21/70 pc	33/89	22/71 pc
Barcelona	27/80	20/68 pc	27/80	21/70 pc
Belgrade	27/80	14/57 pc	29/84	17/62 pc
Berlin	22/71	12/53 c	26/79	16/61 pc
Brussels	23/73	14/57 pc	23/73	12/53 pc
Budapest	28/79	17/62 pc	29/84	18/64 pc
Copenhagen	22/71	13/55 sh	24/75	15/59 pc
Costa Del Sol	29/84	21/70 pc	29/82	21/70 pc
Dublin	20/68	11/52 c	19/66	12/53 sh
Edinburgh	18/64	12/53 pc	17/62	12/53 sh
Florence	28/82	16/61 pc	29/84	17/62 pc
Frankfurt	23/73	14/57 pc	25/77	16/61 pc
Geneva	25/77	14/57 pc	25/77	14/57 pc
Helsinki	21/70	13/55 pc	21/70	15/59 sh
Istanbul	29/82	20/68 pc	32/89	22/71 s
Las Palmas	27/80	21/70 s	28/82	21/70 s
Lisbon	27/80	18/64 pc	27/80	19/66 pc
London	21/70	13/55 pc	22/71	13/55 pc
Madrid	33/91	15/59 s	33/91	17/62 pc
Mallorca	25/79	21/70 pc	28/79	22/71 pc
Milan	28/82	17/62 pc	29/84	18/64 pc
Moscow	31/88	23/73 sh	30/86	21/70 pc
Munich	23/73	13/55 c	24/75	14/57 pc
Nice	25/79	17/62 pc	26/79	18/64 pc
Oslo	21/70	13/55 pc	24/75	16/61 pc
Paris	23/73	13/55 pc	24/75	14/57 pc
Prague	22/71	14/57 c	24/75	15/59 pc
Reykjavik	13/55	12/53 r	13/55	8/46 r
Rome	28/82	19/59 pc	28/82	18/61 pc
St Petersburg	24/75	12/53 sh	23/73	14/57 sh
Stockholm	21/70	12/53 sh	22/71	15/59 pc
Strasbourg	25/79	14/57 pc	26/79	14/57 pc
Tallinn	21/70	14/57 pc	20/68	13/61 sh
Venice	27/80	19/66 pc	28/82	20/68 pc
Vienna	21/70	14/57 pc	25/77	17/62 pc
Warsaw	19/64	10/50 sh	25/77	16/61 pc
Zurich	25/77	14/57 pc	28/79	14/57 pc

Oceania

Auckland	16/61	7/44 c	16/61	10/50 pc
Sydney	14/57	7/44 pc	14/57	8/43 pc

Middle East

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Abu Dhabi	41/106	32/89 s	42/107	31/88 pc
Beirut	33/91	21/70 s	33/91	22/73 s
Cairo	31/88	19/61 s	32/89	19/66 pc
Damascus	40/104	22/71 s	27/80	18/64 s
Jerusalem	30/86	18/64 s	28/79	16/64 s
Luxor	39/102	19/66 s	39/102	20/68 s
Riyadh	43/109	27/80 pc	45/113	27/80 pc

Africa

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algiers	24/75	20/68 s	28/79	21/70 pc
Cape Town	16/59	11/52 pc	18/63	3/37 c
Casablanca	27/80	18/64 s	27/80	19/66 s
Harare	21/70	10/50 t	21/70	12/53 t
Lagos	29/82	24/75 c	29/84	24/75 c
Nairobi	18/64	10/50 t	21/70	11/52 c
Tunis	25/77	17/62 pc	27/80	18/64 s

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Bangkok	33/91	26/79 sh	33/91	26/79 c
Beijing	28/77	21/70 sh	27/80	21/70 t
Hong Kong	31/88	29/79 pc	32/89	29/79 pc
Manila	33/89	24/75 pc	33/89	24/75 pc
New Delhi	37/98	28/82 pc	41/106	30/86 pc
Seoul	28/82	22/71 sh	27/80	21/70 r
Shanghai	32/89	25/79 sh	32/89	25/77 pc
Singapore	33/91	24/75 t	33/91	24/75 pc
Taipei	34/93	24/75 pc	34/93	24/75 pc
Tokyo	30/86	19/66 pc	30/86	21/70 pc

Latin America

Buenos Aires	17/62	9/48 pc	19/66	11/52 pc
Caracas	30/86	25/77 c	31/88	25/77 pc
Lima	19/64	16/61 c	19/64	15/59 c
Mexico City	25/77	13/55 t	23/73	13/55 sh
Rio de Janeiro	22/71	15/59 pc	23/73	17/62 pc
Santiago	23/73	6/43 s	22/71	5/41 pc

North America

Anchorage	15/59	11/52 sh	15/59	7/44 pc
Atlanta	32/89	22/71 pc	32/89	21/70 pc
Boston	27/80	19/66 pc	21/70	17/62 r
Chicago	29/84	17/62 t	27/80	16/61 sh
Dallas	33/91	23/73 pc	33/91	23/73 pc
Denver	29/84	14/57 s	29/84	13/55 s
Detroit	29/82	18/64 pc	27/80	17/62 t
Honolulu	31/88	23/73 pc	30/86	23/73 pc
Houston	35/95	23/73 s	34/93	23/73 pc
Los Angeles	30/86	18/64 pc	31/88	20/68 pc
Miami	33/91	26/79 t	34/93	26/79 t
Minneapolis	28/79	16/59 sh	28/79	15/59 pc
Montreal	28/79	14/57 pc	23/73	14/57 pc
Nassau	32/89	24/75 pc	32/89	25/77 pc
New York	27/80	21/70 pc	28/79	21/70 r
Phoenix	40/104	29/84 c	42/107	29/84 pc
San Fran.	24/75	14/57 pc	25/79	15/59 s
Seattle	20/68	13/55 t	21/68	15/61 s
Toronto	29/79	19/61 pc	23/73	19/61 pc
Vancouver	23/82	13/63 s	27/80	15/64 pc
Washington	27/80	21/70 pc	28/84	22/71 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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Australia (Telstra)	1-800-881-877	Greece +	008-001-411	Netherlands Antilles ★ (Curaçao & Bonaire)+	001-800-745-1111	Thailand	001-999-13-877
Austria +	022-903-014	Guam	950-1366	New Zealand	0-800-760-877	Turkey +	00-800-1-4477
Bahamas +	1-800-389-2111	Guatemala +	195	Nicaragua (Managua)	171	Ukraine	8-100-13
Bahrain	800-777	Honduras ▲	121	Nicaragua (all other)	02-171	United Arab Emirates +	800-131
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China +	108-13	Japan (KDD) +	0039-131	Romania +	01-800-0877		
Colombia	980-13-0010	Jordan	18-800-777	Russia (Moscow) +	755-6133		
Costa Rica +	0800-013-0123	Kenya ★	0800-12	Russia (all other) +	8095-755-6133		
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Cyprus +★	080-900-01	Korea (KT) + ◆◆	009-16	Saipan (Tinian & Rota) +	1-235-0333		
Czech Republic +	0042-087-187	Korea (Dacom) + ‡	550-3435	Saipan (all other)	235-0333		
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THE AMERICAS

Bragging Rights on Trial: Is It Ellis Island, New York – or New Jersey?

By Neil MacFarquhar
New York Times Service

WASHINGTON — Lawyers for New York snarled that their learned colleagues from across the water were blind to history. The New Jersey side shot back that New York was living up to its name as the Empire State, seeking to expand in every direction.

The opening arguments in an unusual lawsuit over who owns Ellis Island started Wednesday in a paneled meeting room of the Supreme Court of the United States, the first time in the annals of the court building that an actual trial has been conducted under its roof. "This case is unique in the fact that it is here in this court," said Paul R. Verkuil, the law professor appointed by the Supreme Court to hear the case. "It is unique in the sense that this island is one of a kind, one that has been argued about for a long time."

Each side mustered 200 years of accumulated skirmishing for the trial, which is expected to last a month and to include a field trip to the famous rock itself, with dueling experts as guides.

New Jersey, which filed the lawsuit in 1993, is essentially treating the case as a boundary dispute, while New York seeks to establish that the case is a question of property, one it should win because it has long controlled all activity on the island.

At issue is who can maintain bragging rights over a symbol of the immigration that helped forge the United States. (More than four out of 10 Americans trace their ancestry to immigrants who passed through the island.)

More important, the case would help settle the question of who could collect taxes on the island should plans be realized to convert the crumbling buildings into a hotel or convention center.

Both sides deployed an arsenal of experts, historical documents, maps and minutiae, mustering a mountain of details.

New York painted Ellis Island as a fort designed to protect New York Harbor that became an important way station for immigrants seeking their piece of the American dream on the streets of New York.

"New Jersey intends to ignore about 300 years of Ellis Island history," said Judith T. Kramer, the assistant attorney general leading the New York team, noting that the archives on the island contain records of thousands of interviews with immigrants. "Not a single immigrant stated that they thought they were coming to New Jersey."

Joseph Yannotti, a New Jersey assistant attorney general, accused New York of trying to obscure the border issue by cluttering the court record with mountains of unnecessary paper like voting records, marriage licenses and birth certificates, all referring to "Ellis Island, New York."

No matter who wins the argument, it would change little on the island because it is a national park controlled by the federal government and is listed on the National Register of Historic Places, protecting it from any drastic change.

Democratic Platform Reinforced at the Center

By Ruth Marcus
Washington Post Service

KANSAS CITY — A Democratic Party committee has begun creating a centrist platform that sources said would include support for the death penalty and an expanded abortion plank to recognize the anti-abortion point of view.

Platform hearings are typically messy affairs that expose the ideological fault lines within the party. But while writing the platform for the first Democratic incumbent president seeking re-election since 1980, dissension was decidedly unwelcome as the drafting committee heard testimony Wednesday from nearly 50 activists, members of Congress and others.

"The good news is it's a lot duller," Ann Lewis, deputy campaign manager for President Bill Clinton, said of this year's hearings. "The Democrats are having a platform hearing that looks like Republican events used to."

The message is decidedly middle-of-the-road. Sources familiar with a proposed draft said it highlights provisions of the crime bill passed in the previous session of Congress, including the creation of 60 new federal death penalties.

Four years ago, the Democratic platform was silent on the issue of the death penalty and the party faced the threat of a floor fight over a proposed plank opposing the death penalty.

Symbolizing the party's shift to the middle, the leadoff witness was Robert Shapiro of the Democratic Leadership Council, the moderate group that Mr. Clinton once led. "Four years ago, people knew Clinton's direction but they weren't at all sure that was the way the party ought to go," Mr. Shapiro said after his testimony. Now, he said, "that debate's been settled. The story is the dog that didn't bark — the old party."

Indeed, the party seemed set on having as little barking as possible. Representative Tony P. Hall of Ohio urged the adoption of new abortion language recognizing "that there are those among our ranks who are opposed to abortion" and stating that such party members "have a right to abide by their conscience on this difficult issue and are welcome participants at every level of the party."

In particular, those in charge of writing the platform appear determined to avoid the debate over an abortion plank that is now roiling the Republican Party.

The chairman of the Democratic National Committee, Don Fowler, said the platform will reaffirm Democrats' support for a woman's right to choose but also "make it clear that we're an inclusive party."

Mr. Hall elected to send in written testimony rather than appear in person largely because he was assured that "the DNC is serious about accommodating the pro-life House Democrats and they are working very hard to find language that is acceptable," said his press secretary, Michael Gessel. "He thought that quiet negotiations was the best way to proceed."

Sources familiar with the platform drafting said something along the lines of Mr. Hall's proposal would probably be included.

James Wagoner of the National Abortion Rights Action League, who testified here Wednesday, said he was comfortable with such a "conscience plank" because "the platform already is inclusive and diverse" and "respects individual conscience."

But Sharon Allison of Planned Parenthood was critical of that approach. "I like it the way it is," she said of the platform, calling the addition of a conscience plank "unnecessary" and "redundant."

Speaking by satellite hookup from Washington, the Senate minority leader, Thomas A. Daschle of South Dakota; the House minority leader, Richard A. Gephardt of Missouri, and others championed their new Families First agenda, elements of which will be woven into the platform.

The platform drafting committee, led by Governor Zell Miller of Georgia and Mayor Dennis Archer of Detroit, began the actual drafting process Thursday, working from a document put together by three White House aides, Bruce Reed, Elaine Kamarck and Jonathan Prince.

In early August, the document will be considered by the Democrats' platform committee and presented to the convention that month.

Doug Pagitt/The Associated Press

Sarah Brady, chairwoman of a gun control organization, urging that Bob Dole clarify his position on the assault weapons ban. Her husband, James, crippled in the 1981 Reagan assassination attempt, is in the foreground.

Tourists Flee As Hurricane Closes In on The Carolinas

Compiled by Our Staff From Dispatches

NAGS HEAD, North Carolina — A hurricane packing 100-mile-an-hour winds swirled offshore Thursday on a path toward the Carolinas, disrupting summer vacations for tens of thousands of tourists and forcing residents to board up homes and hoard supplies. Governors in both states declared states of emergency.

Evacuation orders were lifted in Florida early Thursday. But down the lone highway along North Carolina's Outer Banks between Nags Head and Cape Hatteras, restaurants and stores were closed. Rental cottages were empty and campgrounds deserted.

Red Cross shelters were opened along the North Carolina coast, and authorities urged homeowners to brace for heavy rain and winds on Friday from the storm, which is 400 miles (650 kilometers) wide.

Computer models predicted that the hurricane, designated Bertha, would probably hit land around the North Carolina-South Carolina line, near midday Friday. There was a chance it could then continue up the coast, but more likely would be offshore as it moved northward, forecasters said.

North Carolina evacuated its Outer Banks, affecting an estimated 50,000 residents and tourists. Heavy traffic clogged the two-lane coastal roads.

"Bertha is a very large hurricane that will impact a tremendous area wherever it makes landfall," Governor Jim Hunt of North Carolina said in an emergency proclamation. South Carolina also declared an emergency and ordered mandatory evacuations of coastal areas. *(AP, Reuters)*

POLITICAL NOTES

Clinton and Dole Make Taxes an Issue

WASHINGTON — President Bill Clinton and Bob Dole are raising what both campaigns said would be an issue in the presidential race by introducing television advertisements in which each portrayed the other as a strong advocate of big tax increases.

The attack on Mr. Clinton had been expected, because ever since entering the race Mr. Dole had described the president as a proponent of high spending and taxes.

But Mr. Clinton's decision to directly engage Mr. Dole on an issue the Republicans have long viewed as a vulnerable point for the president came as a surprise, all the more so since the Clinton advertisement drew on the House speaker, Newt Gingrich, to make the case that it was Mr. Dole, a fellow Republican, who was an advocate of higher taxes.

Quoting Mr. Gingrich's onetime description of Mr. Dole, an announcer says in a Democratic commercial ready for broadcast: "Republicans called him the tax collector of the welfare state." *(NYT)*

NAACP Delegates Warm to Clinton

CHARLOTTE, North Carolina — President Bill Clinton and the NAACP warmly embraced each other as Mr. Clinton, in an address to the organization's annual meeting, touted his administration's economic record in creating jobs, condemned a wave of arson against black Southern churches and said he would veto Republican attempts to roll back gun control legislation.

Though the National Association for the Advancement of Colored People is ostensibly nonpartisan, the 3,000 delegates meeting here greeted Mr. Clinton with a standing ovation and repeated chants of "Four more years!" In part, of course, that is because most of them are liberal Democrats. But the enthusiasm for the president might also reflect the group's anger over the decision by his likely Republican rival, Mr. Dole, to turn down an invitation to speak to the group. As a result, Mr. Clinton's mere presence carried as much weight as his words, perhaps even more.

"Had Dole come I don't think the reaction to the president would have been as partisan as it was," said Julian Bond, a member of the group's board of directors.

Jonas Byrnes, a delegate from Kansas City, said he believed Mr. Dole had made a mistake. "If he expects to get the black vote, he should at least have shown the courtesy of showing up to discuss the issues," Mr. Byrnes said. "Just don't write people off." *(NYT)*

Former Klan Head Running for Senate

BATON ROUGE, Louisiana — David Duke, the former Ku Klux Klan leader, is running for the U.S. Senate, denying he has any racist views but promising to save the American heritage from "attack" by immigrants.

"Our heritage is under attack," he said. "We have massive legal and illegal immigration from all over the world and basically the traditional elements of this country will be a minority if this continues."

In Louisiana's open primary, candidates of both parties run on the same ballot and the top two meet in the general election. *(AP)*

Quote / Unquote

Bob Dole, on what impact a Ross Perot candidacy in the presidential race would have on his own campaign: "Well, nobody seems to know. Some polls indicate he takes more votes from Clinton this time around." *(AP)*

POWELL: *Former General Causing Headaches in Dole Camp*

Continued from Page 1

received a cool reception and added, "We'll have other opportunities to speak to audiences I think I can relate to," The Associated Press reported.

[Mr. Dole said he had been unaware of the invitation, suggesting that staff members rejected it without his knowledge. In any event, he cited a scheduling conflict, but added: "Let's face it, the leader of the NAACP, Mr. Mfume, is not known as a moderate Democrat or a nonpartisan Democrat. He's one of the leading liberal Democrats."

[Kweisi Mfume, a Democrat from Baltimore, resigned from the House of Representatives last year to take over the presidency of the National Association for the Advancement of Colored People.]

Mr. Powell has warned Mr. Dole not to veer too far to the right on a growing list of issues ranging from abortion to affirmative action.

In public appearances to promote the paperback version of his book, "My American Journey," Mr. Powell amply demonstrated this week that to many people he remains a more compelling figure than Mr. Dole.

As the nominee-to-be struggles for positive coverage on television, Mr. Powell's every utterance is seized on like the bones of an oracle. "There's a feverish hunt for new news," Bill Smullen, Mr. Powell's spokesman, said, marveling at the headlines his boss generated this week.

While Mr. Dole's advisers say that Mr. Powell is causing headaches for them now, many are hopeful that the Powell factor can ultimately be turned into an advantage if he does some campaigning on behalf of Mr. Dole. Officials from the Dole campaign and the Republican Party say they expect Mr. Powell to have a modest speaking role at the convention next month.

"In the short term there's going to be a lot of speculation, a lot of longing for him until Dole selects a running mate," said Roger Stone, an adviser to the campaign. "But he should be viewed as an asset in the long term. He would be a valuable surrogate and an important asset."

Scott Reed, the Dole campaign manager, insisted that the fixation on Mr. Powell would evaporate once Mr. Dole picks a running mate. But other Republicans worry that whether he speaks or not, Mr. Powell threatens to overshadow Mr. Dole at the convention, much like the party's 1976 convention was at times more a showcase for the Ronald Reagan than for the nominee, President Gerald Ford.

The White House political director, Douglas Sosnik, is watching with satisfaction. "The preoccupation with Colin Powell by the Dole campaign reflects the weakness of the Dole candidacy," he said, "and their inability to articulate a compelling rationale for his candidacy."

Even Dole aides who are most doubtful about the prospects for a Dole-Powell ticket say that their fantasy is that Mr. Dole will gain on Clinton and then prevail in persuading the general to run.

— RICHARD L. BERKE

PEROT: *White House Hopeful*

Continued from Page 1

percent of the vote and greatly altered the complexion of presidential politics.

A Perot candidacy could again have a profound affect: He would probably have $32 million in federal money at his disposal; would probably again have a place at the nationally televised presidential debates, and he would be an outspoken voice prodding Mr. Clinton and Mr. Dole on his pet issues, like balancing the budget and reforming the political process.

But before that happens, Mr. Perot has to face off with former Governor Richard D. Lamm of Colorado, who announced Tuesday ago that he would seek the Reform Party's nomination. The mini-drama between Mr. Perot and Mr. Lamm, who thus far have only praised one another publicly, will be resolved by Reform Party members at their two-part convention next month. But in upstaging Mr. Lamm's own announcement, Mr. Perot made clear that he will not sit idly as someone else runs with his party's banner.

While nothing is certain, officials in the White House and Republican Party said they assumed that Mr. Perot would win the nomination over Mr. Lamm.

Mr. Perot's entry did not come as a great surprise, but it quickly changed the perception many politicians have had for months of a clear-cut race between Mr. Clinton and Mr. Dole.

"It makes the mix even more volatile," said John B. Anderson, a former Illinois Republican Congressman who ran as an independent in 1980, "because many of the reasons that led to his rather astonishing performance four years ago are still extant. He's invested time and money. He's not about to simply fade quietly away."

Many polls show that Mr. Perot would draw evenly from Mr. Clinton and Mr. Dole, but the Republicans were far more concerned that he would splinter the anti-incumbent vote from Mr. Dole.

"I would hope he wouldn't run," Mr. Dole said Thursday on a nationally broadcast radio program. "I would hope it would be a two-man race."

By contrast, Michael McCurry, the White House press secretary, welcomed Mr. Perot into the race, saying that "perhaps this other candidate's seeking the Reform Party nomination will enliven the debate."

But Mr. Lamm was not so pleased with his competition.

"There's a lot of people in the Reform Party that honor him," Mr. Lamm said, "but don't think he's the best person to take it to the next stage."

In several states, Reform Party leaders have encouraged Mr. Lamm and said it would be best to nominate someone other than Mr. Perot. Mr. Lamm, for example, said he was backed by Reform Party leaders in California and Minnesota.

But the Reform Party hierarchy is dominated by Perot loyalists, and he pays its employees.

Mr. Lamm acknowledged he faced long odds in trying to beat Mr. Perot, but said he would not quit.

"I don't think it's best for the party that he runs," Mr. Lamm said. "I think the Reform Party needs a new face."

Mr. Lamm ruled out serving as Mr. Perot's vice presidential running mate — or having Mr. Perot serve in that capacity on a Lamm-led ticket. "I don't think either one of us is a No. 2 man," Mr. Lamm said.

Away From Politics

• **A man caught driving a Mercedes-Benz in Gatlinburg, Tennessee, admitted** he took part in the slaying of a German lawyer who was on vacation in Florida when the car was commandeered at gunpoint, the police said in Gatlinburg. Alford Rhiner gave police a statement admitting his involvement in the shooting and implicated another man, Jamie Lee, who was arrested in Fort Myers, Florida. *(AP)*

• **A half-mile-wide rock slide in California's Yosemite** National Park hurled huge granite boulders down a cliff and created an air blast that knocked down trees and sent a dust cloud 3,000 feet high. One person was killed and seven injured. *(AP)*

• **The Environmental Protection Agency has sharply rebuked** the District of Columbia over management of its drinking water system and launched a five-step plan designed to restore public confidence in city tap water. In a memo, the EPA administrator, Carol M. Browner, said the agency would begin independent testing and open a hotline to provide "consistent, accurate and more frequent information" to residents about the quality of tap water. *(WP)*

• **A rising number of college freshmen are dropping out,** according to a survey of 2,564 colleges and universities that says nearly 27 percent failed to return to campus for a second year. A related report, released by American College Testing, also shows that the graduation rate at the surveyed colleges is at its lowest in more than a decade. *(AP)*

• **The first yellow cabs built to run solely on compressed** natural gas have been delivered to New York, and officials say an agreement between the city and the state of Texas will guarantee a steady, low-priced supply of the fuel. *(NYT)*

U.S. Cancels Samper's Visa, Citing Links to Drug Cartel

The Associated Press

WASHINGTON — The Clinton administration revoked the visa Thursday of President Ernesto Samper of Colombia because of his alleged links to the Cali drug cartel.

A State Department spokesman, Nicholas Burns, said the administration determined that Mr. Samper was "ineligible for a visitor's visa under U.S. law."

The White House spokesman, Michael McCurry, said President Bill Clinton was aware that steps were under way to revoke Mr. Samper's visa and "signed off on it."

Mr. McCurry added, "Clearly we need to see at the top level of leadership in Colombia a different attitude about the fight against drugs."

The U.S. administration has long held that Mr. Samper received money from the drug cartel for his 1994 presidential campaign, dismissing a recent decision by the Colombian Parliament to exonerate Mr. Samper of the charges.

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ASIA/PACIFIC

Surge in Major Crimes Shocks Chinese Into Pursuing Harsh Repression

By Patrick E. Tyler
New York Times Service

ZHONGSHAN, China — The corpse of the taxi driver was still warm in the back seat when Liao Yongxiong, age 29, pulled up in front of the Lian Yuan Street branch of the Industrial and Commerce Bank here in the car he had just hijacked.

He concealed his pistol under his jacket and went inside. The three women tellers greeted him; he was a familiar face as one of the security guards who delivered cash each week from the main office. Perhaps he was smiling when he asked, "Could I use the restroom?" because the women were all too willing to unbolt the door to the security area where they were working.

He killed them swiftly, just as he had the taxi driver, with point-blank shots to the head or chest. But one of the tellers, before she died on the blood-spattered floor, was able to press the alarm button near her desk as Mr. Liao was escaping with a bag full of cash and securities.

Scenes like this one, which occurred on April 16 on a leafy side street here in this southern Chinese boomtown, had been virtually unheard of in China during most of the last five decades. Now, suddenly, gangsters are staging a comeback in China and major crime seems out of control. It has provoked the largest nationwide crackdown on crime in more than a decade and a wave of executions that has alarmed human rights organizations.

Serious crime and crimes involving firearms are rising by more than 20 percent a year, with more than a third of the cases involving gangs.

"We were used to seeing this kind of crime in the movies, but such things have never happened here," said Su Leting, who had just opened a new seafood restaurant and was concerned, as many members of the Zhongshan business community are, that fear of crime would drive foreign investors away.

"Many foreigners have started to get nervous about social stability," said Hu Baishou, the editor of the Zhongshan Daily, whose front page carried the police composite drawing that led to Mr. Liao's arrest 54 hours after the robbery.

Before China opened to the outside world in the late 1970s, totalitarian social controls had all but eliminated major crime, drug trafficking and prostitution. But with the decentralization of authority, the disappearance of Communist-organized neighborhood committees and the reappearance of wealth, a criminal reawakening is under way.

'We were used to seeing this kind of crime in the movies, but such things have never happened here.'

Although the overall crime rate in China remains modest when compared with that of United States and other Western countries, its rapid rise and a sudden surge in major crimes, including murder, armed robbery and drug trafficking, have triggered a response from Communist Party authorities.

In December 1995 and February of this year, separate criminal gangs in Guangdong province and in Beijing staged spectacular armored car robberies with precision planning and sophisticated arms. Together they netted more than $2 million in cash. The holdups prompted the Ministry of Public Security to rewrite its budget plan for the next five years to buy more armor, better alarms and global-positioning devices that use satellite signals to pinpoint the location of cash-carrying vehicles, many of which are not even armored in China.

The day before the Zhongshan bank robbery, the police in Guangdong province stopped five jeeps and a truck trying to smuggle 540 kilograms (1,200 pounds) of heroin into Hong Kong for shipment to the United States and Europe. It was one of the largest single hauls of heroin in history.

In the country's rich coastal provinces, well-armed highway gangs have used prostitutes to lure truck drivers into robbery and murder traps. Kidnappers are preying on the families of China's new rich and the heroin trade has spread to all of China's large cities.

But it may have been Mr. Liao's murderous bank heist in this city where Sun Yat-sen, the father of modern China, was born that shocked the Communist leadership in Beijing into ordering in late April a nationwide crackdown on major crimes and gangs.

The "Strike Hard" crackdown has led in its first two months to tens of thousands of arrests and at least a thousand executions, more than at any time since the 1983 crackdown on crime, when diplomats say about 10,000 were put to death within a few months.

One of those executed in the current campaign was Mr. Liao, who was shot in the back of the head on April 30 by a police executioner, 15 days after the crime. Before he died, he was paraded before 5,000 Zhongshan residents at a sports stadium, where he was denounced as a "barbarian" by local Communist Party officials.

"This was a big case, so the masses' reaction was very serious," said Mr. Hu, the newspaper editor who doubles as the deputy chief of propaganda for the Communist Party committee in Zhongshan. "After Liao was arrested, the people were very happy and they appealed to execute him right away."

Crime is also making news. Many local Communist Party newspapers have dropped some of the dull essays on party theory from their front pages to make room for the latest criminal outrage.

One "vampire gang," a newspaper reported, enslaved homeless children and sold their blood to hospitals. And, in Hebei province, a night security guard was reportedly sentenced to life in prison for ringing up $6,000 in international telephone charges to telephone sex lines in the United States.

Japan Seeks to Outlaw Sect As Future Threat to Society

Reuters

TOKYO — Japan on Thursday took a step toward outlawing the doomsday cult accused of carrying out a deadly Tokyo subway gas attack.

Shoko Asahara, guru of the sect, has been indicted on 17 charges, including murder and attempted murder, in connection with last year's nerve-gas attack that killed 11 subway passengers and injured nearly 6,000.

The Public Security Investigation Agency, an arm of the Justice Ministry, formally requested that the Aum Shinrikyo sect be outlawed under a little-used anti-subversion statute.

Since its enactment in 1952, the statute has never been invoked because of concerns that it might violate human rights. Even in the 1970s, when the Japan Red Army and other leftist groups were accused of bombings and assassinations, the law was not invoked.

The investigation agency made the request Thursday to the Public Security Commission, which is made up of jurists, scholars and media personnel appointed by the justice minister. The panel is expected to rule in three months.

If outlawed, members of the group will be banned from holding meetings, producing publications or conducting any business that could be construed as a group activity.

Victims' groups and conservative politicians supported the move to apply the ban while liberal groups voiced opposition.

"The request was made because we can't ignore the danger posed by the sect in the future," Justice Minister Ritsuko Nagao said. "Our biggest responsibility is to peacefully protect the lives and properties of our people."

Sect representatives argued that the law violated the constitutional freedoms of religion, speech and assembly.

"We would like the Public Security Commission to fully understand the danger of the law and promptly reject the request," said Tatsuko Muraoka, a sect representative.

"We are not a dangerous group now," she said.

Agence France-Presse

Justice Minister Ritsuko Nagao, right, after the announcement Thursday that the government would seek to ban the Aum Shinrikyo cult. With her is Hiroyasu Sugihara, a public security official.

U.S. Wants Asians to Curb Repression by Burma Junta

Compiled by Our Staff From Dispatches

WASHINGTON — The United States will consult Southeast Asian allies on how to curb a "new tide of repression" in Burma, including a possible international economic boycott, Secretary of State Warren M. Christopher said Thursday.

But Mr. Christopher, who is to meet foreign ministers from the seven-nation Association of South East Asian Nations in Jakarta on July 23 to 25, said he did not expect an early consensus on a boycott to nudge Burma's military junta toward democratic reform.

Mr. Christopher said the United States would press regional countries to use their influence "to see if we can't stem this new tide of repression in Burma."

He said he thought an international agreement on implementing economic sanctions was "unlikely at the present time, but it's a subject that is under active consideration."

He did not spell out what he meant by new repression but made his remarks at a picture-taking session with Foreign Minister Niels Petersen of Denmark. Mr. Petersen is pushing for an explanation of the death in Burmese custody on June 22 of a Burmese citizen who served as honorary consul for several European nations.

The consul, James Leander Nichols, 65, who had served as an honorary consul for Denmark, Norway, Finland, Sweden and Switzerland, was jailed in April and sentenced to three years on charges of possessing two facsimile machines and a telephone switchboard. He was suffering from heart trouble and diabetes and died in prison last month.

Denmark has put sanctions against Burma on the agenda for a meeting next week of the European Union foreign ministers.

Analysts believe he actually was punished for his friendship with Daw Aung San Suu Kyi, the pro-democracy leader and recipient of the 1991 Nobel Peace Prize.

Officials at Insein Prison, notorious for its deplorable conditions and torture chambers, said Mr. Nichols died of a stroke.

In Oslo, officials said they had evidence Mr. Nichols was tortured. Deputy Foreign Minister Jan Egeland said Oslo held the Burmese government responsible for the death. *(Reuters, AP)*

North Korean Defector Tells of Starvation Deaths

Compiled by Our Staff From Dispatches

SEOUL — A North Korean man who defected Thursday to South Korea by swimming down a river and across the border with inner tubes tied around his body said he had seen people who died of starvation being buried every day.

The defector, Choi Sung Chan, 29, arrived at Kanghwa Island near the border before dawn and was discovered by two South Korean soldiers, the Defense Ministry said.

With the inner tubes of three bicycle tires tied around his waist, Mr. Choi swam more than 13 kilometers (about 8 miles) down the Yesung River to where it empties into the Yellow Sea, and across to the island.

Speaking with reporters before a medical checkup, Mr. Choi said: "It is not just the shortage of food. I came here because North Korea is not a place where people can live. North Korea treats people like dogs and pigs and controls them so much that the place is like a prison."

"I decided to go to the South," he added, "since I believed I would die either way."

Mr. Choi said he left behind his 26-year-old wife and 2-year-old daughter at his home in Kaesong, a North Korean border city close to the Demilitarized Zone that separates the two Koreas.

He had been working as a supply chief for a construction company after being discharged from the air force three years ago, the Defense Ministry said.

Later, from his military hospital bed, Mr. Choi told of slow starvation and suicides in his village.

"I lived under the mountains in Kaesong and I saw every day one to two people, who died from starvation, being buried," he said.

"And in a village nearby, I heard that parents who had no food to eat strangled their young child to death and then committed suicide."

He said there were no rice or vegetables in North Korea, but did not say how or what people ate. International relief agencies had warned of famine in North Korea following last summer's devastating floods that wiped out much of the farmland.

An increasing number of North Koreans are fleeing the Communist country. They say continuing economic hardships and chronic food shortages have made life more difficult.

Mr. Choi's defection was at least the 20th this year, with a growing number of people reported to have slipped across the border into Russia and China.

It came a day after President Kim Young Sam of South Korea warned that the situation in the North was "critical."

People who defected by swimming have been almost nonexistent since the border rivers were barricaded in the 1970s.

Mr. Choi was the first to defect to the South by swimming since two soldiers and an army nurse did so in 1989, and the first defector to slip through the heavily guarded frontier since a land crossing June 4.

Last month, a middle-aged North Korean woman swam across a river on the Chinese border with her two children. They also cited hunger as their motive. *(AFP, AP, Reuters)*

BRIEFLY ASIA

'Don't Push,' Taiwan Tells China

TAIPEI — Taiwan appealed to China on Thursday to stop blocking talks stalled since mid-1995, saying that to isolate the Nationalist-ruled island would inspire separatist Taiwanese to push even harder for independence.

"Don't push us too hard or drive us into the corner," Foreign Minister John Chang said. "This will give some ammunition or reasons for people on the island to really work toward independence for Taiwan."

He said the visit to Beijing this week by the U.S. national security adviser, W. Anthony Lake, would "have a long-term impact" on tensions in the Taiwan Strait, but that Taiwan and China needed no help resolving their difference.

"We really hope the dialogue can be restored as soon as possible," he said. *(Reuters)*

Suharto Cuts Short Medical Stay

JAKARTA — President Suharto will return to Indonesia on Saturday, a day earlier than scheduled, because medical examinations in Germany have given him a good report, a relative said Thursday.

Probosutedjo, a businessman and half-brother of the 75-year-old president, said that the president would leave for Jakarta from Hannover on Friday.

"There is no doubt about the president's health, everything is O.K," he said. *(Reuters)*

Colombo Starts Offensive in East

COLOMBO — The Sri Lankan military has begun an offensive against Tamil guerrillas in areas of the island's Eastern Province that the rebels have long controlled, the Defense Ministry said Thursday.

At least five rebel bases north of Valachchenai, 220 kilometers (135 miles) east of Colombo, have been overrun since early Wednesday, the ministry said. *(Reuters)*

U.S. Calls for Progress on MIAs

BANGKOK — The U.S. national security adviser, W. Anthony Lake, said Thursday that establishing the fate of American servicemen missing from the Vietnam War remained crucial to improving relations with Hanoi.

Mr. Lake flew to Thailand from China on Thursday. Vietnam his next stop. He cited progress on the MIA issue, and said the United States wanted closer ties. But he added, "The will to move forward is always in the context of moving forward on the issue of Americans missing in action." *(AP)*

VOICES From Asia

Cui Tiankai, the Chinese Foreign Ministry spokesman, on Mr. Lake's visit to Beijing this week after months of angry confrontations between the two countries: "Lake's visit has served to enhance the mutual trust and understanding between China and the United States and improved the climate of the bilateral relations." *(Reuters)*

Thien Oo, a member of Daw Aung San Suu Kyi's National League for Democracy, after issuing the "Human Rights Year Book 1995: Burma," which documents abuses and economic mismanagement by the ruling military: "Historians will refer to this period of Burma's history as a reign of state terror." *(AFP)*

Legally Speaking, English Is Out

Agence France-Presse

HONG KONG — The next sitting of Hong Kong's Legislative Council will be conducted for the first time in Chinese rather than English, the council's president, Andrew Wong, announced Thursday. In less than a year, China will take control of Hong Kong from Britain.

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ACROSS
1 "Backdraft" gear
6 Approximates
15 Wind: Prefix
16 Credit card cost
17 G.I.'s bills
18 Prospectors' helpers
19 Formal footwear
20 Place for a hole, often
21 Square dance partners
22 When repeated, a 1968 pop hit
23 Certain trousers
25 Knot
26 Acting Gardner
27 Have ——see
29 Pollster's finding
31 State of emergency
33 Attacker
34 Cold war headquarters
35 Fetter
39 Cartoon brawl exclamation
40 Locker room discussion
41 Pari —— (at an equal rate)
44 Tender looks
45 Catchall abbr.
46 Smelter input
47 Scottish clan leader
49 Skiing mecca
50 Kind of fall
52 CPR administrator
53 Tonto's Scout, for one
54 Schedule
57 Geometer's concern
58 Like brewers hops
59 Escape the understanding of
60 University Park campus
61 Counted tree rings, e.g.

DOWN
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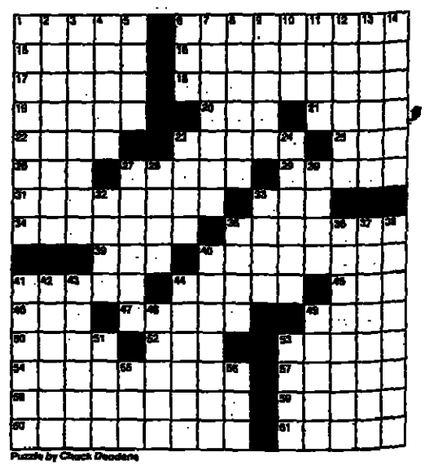
2 Head-to-toe look
3 Outdoor air
4 70's radical —— Harris
5 Saturates
6 Song from the 'hood
7 Getting crocked
8 Pop
9 Microwaved
10 Stop up
11 Turnstile cheater
12 Recently
13 1973 hit "—— Stronger Every Day"
14 Owned (up)
23 Succotash ingredient
24 Stepping spots
27 To the max
28 70's singer Garrett
30 Bring in
32 Israeli writer ——Oz
33 Public regard
35 English garden feature
36 Looking freshly groomed
37 Leeway
38 Fenced-in
40 Series of troubles
41 Soda can feature
42 Reach
43 Galleon crew
44 Africa's smallest country
48 Compassion
49 Cy Young winner, 1988
51 Volunteer's home: Abbr.
53 Made, as a case
56 Scores at R.F.K.
59 City near Arnhem



Puzzle by Chuck Deodene

© New York Times/Edited by Will Shorts.

Solution to Puzzle of July 11

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INTERNATIONAL

Rothschild Heir's Death Raises Questions in U.K.

Family Bank's Leadership Seen Unaffected, But Analysts Point to Long-Term Problems

International Herald Tribune

Analysts in London's financial district said Thursday that the death of Amschel Rothschild, 41, a key director of the N. M. Rothschild and Sons Ltd. merchant bank, was unlikely to affect the immediate fortunes of the family firm.

However, they said longer-range problems are looming for the historic company, which was once a giant of European banking but has become a relatively minor player in international financial markets.

The police in Paris said they were treating the death by hanging of Mr. Rothschild this week as a suicide, which the bank confirmed. Judicial authorities opened a formal investigation into the cause of death of the banking heir and socialite, whose body was found in the Bristol Hotel by a maid on Monday. "We are completely shocked and devastated," said his widow, Anita. "Amschel's death was totally unexpected. We shall not be saying any more and would ask that everyone will respect the grief and deep sadness of our three young children and myself."

The analysts, meanwhile, said the British branch of the Rothschild empire would remain for the foreseeable future under the leadership of its chairman, Sir Evelyn de Rothschild.

"But family succession at N.M. Rothschild is not something that is going to go on forever," said Johnny de la Hey of Crédit Lyonnais Laing in London. "Rothschilds succeeding Rothschilds is not necessarily the best way forward. Times move on."

Amschel Rothschild was chairman of the firm's funds management arm, Rothschild Assets Management, which has steadily been losing ground against rivals and registered a £500,000 ($775,000) loss in 1994. He was also a member of the board of insurer Sun Alliance.

Agence France-Presse

Amschel Rothschild, who was found dead in a Paris hotel this week.

Because of the lackluster performance of the assets management company, there were rumors in the City that Amschel Rothschild would not succeed Sir Evelyn as chairman.

Mr. de la Hey said problems at the Rothschild Bank reflected conditions generally in the exclusive sector. "The decline in the influence of the families that founded some of Britain's oldest merchant banks has been going on for decades and has only accelerated in recent years as merchant banking even in London has become less of a gentleman's club and more of an international business," he said.

Examples include Barings. Peter Baring departed ignominiously in the wake of the Nick Leeson Singapore fiasco. Beyond that there are fewer Shroders at the eponymous firm, and the Warburgs are long gone from what is now SBC (Swiss Bank Corporation) Warburgs. Similarly, Kleinwort Benson, now owned by a German bank, is no longer led by members of its founding families.

"N. M. Rothschild is in need of strong leadership at this point," Mr. de la Hey said. "Last year, it blessed the sale of its old broking arm, Smith New Court, to Merrill Lynch. Rothschilds, which was SNC's largest shareholder, picked up a nice chunk of cash but sacrificed its distribution arm. As a small independent in a world dominated increasingly by huge global banks, Rothschild's future looks dicey unless it can find an ally."

Several of the obituaries in the London press about Mr. Rothschild described him as almost too nice for the cut-and-thrust world of international finance. He came into that world relatively late in life, having been a farmer and business manager of a literary magazine.

Kenneth M. Bernstein, 67, Is Dead; Longtime Correspondent for NBC

The Associated Press

LAUSANNE, Switzerland — Kenneth M. Bernstein, 67, a veteran journalist and travel writer, died at his home in Lausanne on July 3 after a long illness, relatives said Thursday.

Mr. Bernstein was born in New Jersey but settled in Switzerland in 1985 after globe-trotting for many years.

He was a radio-television journalist for NBC News, covering stories in the United States, South America, Europe, Asia and Africa. Among them were the Vietnam War, the Cuban revolution and war in the Congo. He spent four years as the Moscow correspondent for NBC in the 1960s.

He published two political thrillers, "Intercept" and "The Senator's Ransom" and various nonfiction works.

Robert E. Kenyon, Jr., 87, Headed Publishers' Group

NEW YORK (NYT) — Robert Edwin Kenyon Jr., 87, a former president of the Magazine Publishers Association, died Monday at Greenwich Hospital in Connecticut. He most recently lived in Old Greenwich.

Mr. Kenyon was a former publisher of Printers' Ink magazine, the weekly trade publication of advertising and marketing. In 1956 he was named president of the publishers' association.

He assumed the title of executive vice president in 1961 and held it until he retired in 1974. He then served as a visiting professor and assistant dean at the Medill School of Journalism at Northwestern University and lectured at other journalism schools. Between 1978 and 1990, Mr. Kenyon served as executive director and secretary of the American Society of Magazine Editors.

Goran Ohlin, 70, Economist And Former UN Official

STOCKHOLM — Goran Ohlin, 70, an economist and former United Nations deputy secretary-general who also served as executive secretary of the Brandt Commission from 1978 to 1980, died of cancer on June 28 in Stockholm, his home.

Mr. Ohlin helped the commission develop proposals on how to reduce inequalities between developed countries and the Third World.

Report to Pentagon's Upper Ranks Warned of Saudi Security Flaws

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — A classified Defense Intelligence Agency report circulated to senior officials at the Pentagon warned of security flaws at the Khobar Towers apartment complex in Dhahran, Saudi Arabia, eight days before the complex was the target of a terrorist bomb, according to U.S. government officials.

The report detailed for top military leaders several reasons why American and Saudi security officials had become alarmed about the possibility of such a terrorist bombing and it advised in general terms that additional measures were needed to safeguard the complex, according to an official who has read it.

In numerous statements since the bombing and in Senate testimony on Tuesday, Defense Secretary William J. Perry and other senior military officials did not mention that such an alert had been distributed to the top echelons of the Pentagon before the blast. Instead, they emphasized that they were not informed of disputes between mid-level U.S. and Saudi officials about the scope and pace of some security upgrades.

The classified report did not specifically recommend that the security perimeter at the complex be widened from 100 feet to 400 feet (30 meters to 130 meters), the single measure that U.S. officials have said could have sharply diminished the lethal impact of the bombing, which killed 19 U.S. servicemen and wounded 547 others. But it included a satellite photograph that clearly displayed the perimeter.

The classified alert was published on June 17 and "widely distributed" within the Pentagon and U.S. intelligence community, the Defense Department spokesman Kenneth Bacon confirmed. Mr. Bacon said that among the officials on its 14-page distribution list were "policy people, assistant secretaries, deputy assistant secretaries," the chairman and vice chairman of the Joint Chiefs of Staff, the aides to these officers and the regional commanders of U.S. military forces around the globe.

[Mr. Bacon said Thursday that the report referred to security improvements that already were under way at Khobar Towers, not to a need for further steps to safeguard Americans, The Associated Press reported.

[The document "did not warn of security lapses or flaws at Khobar Towers," Mr. Bacon said. "In fact, the 2½-page report entitled 'Saudi Arabia: Increased Security' describes measures that had recently been taken to improve protection of the residential compound."

[Mr. Bacon quoted what he said was the opening sentence of the DIA report, which remains classified: "The authorities in the Eastern Province city of Al Khobar are tightening security to deal with the rising number of suspicious incidents affecting U.S. and other coalition personnel in their residential area."]

Mr. Bacon told the Washington Post that — despite the seriousness of such alerts — "typically, top officials at the Pentagon do not read these reports." He said that General John Shalikashvili, chairman of the Joint Chiefs of Staff, had not read it before the bombing and that a reference to the report was not included in an oral intelligence briefing given to Mr. Perry on June 17.

In a four-hour Senate Armed Services Committee hearing on Tuesday, Mr. Perry told the lawmakers only about a January report by the Air Force's Office of Special Investigations, which he said had pointed "to a high threat level ... while offering, fragmentary and inconclusive" information about the risks to Khobar Towers.

Mr. Bacon said he was not sure why the Defense Intelligence Agency report went unmentioned at the hearing, but that it was "a wave in an ocean of intelligence" that Mr. Perry described for lawmakers in general terms.

Mr. Bacon, who contacted The Washington Post after hearing about a reporter's inquiries into the report's contents, confirmed that the document was a "compendium of information generated in the military ... theater over several months" that spelled out the heightened risk of a terrorist assault on the apartment complex.

Mr. Bacon said that information included various intelligence indicators of possible trouble as well as reports by Saudi and U.S. officials at the complex of stepped-up surveillance by suspicious persons — data of the sort that had earlier caused the military to upgrade its threat warning from "medium" to "high."

Among the listed indicators was the fact that someone had tried to ram a truck into the fence surrounding the complex during the spring, in an apparent effort to determine how quickly security guards would respond, according to one source who is familiar with the report.

The report also noted that many steps were being taken to correct security vulnerabilities, such as improved Saudi patrolling and the deployment of rooftop observers. But it could not be learned whether the report also delineated a series of disagreements between mid-level U.S. and Saudi Arabian military officials over the scope and pace of additional security improvements.

Hiroshima Memories Fade

Most City Pupils Can't Pinpoint Time of A-Bombing

Reuters

TOKYO — More than half the schoolchildren in Hiroshima, the city where the first atomic bomb was dropped in World War II, do not remember the exact date and time when it occurred, a survey has shown.

In the first such survey in nine years conducted by teachers in Hiroshima, only 45.2 percent of the children could remember that the atomic bomb was dropped on Hiroshima at 8:15 A.M. on Aug. 6, 1945.

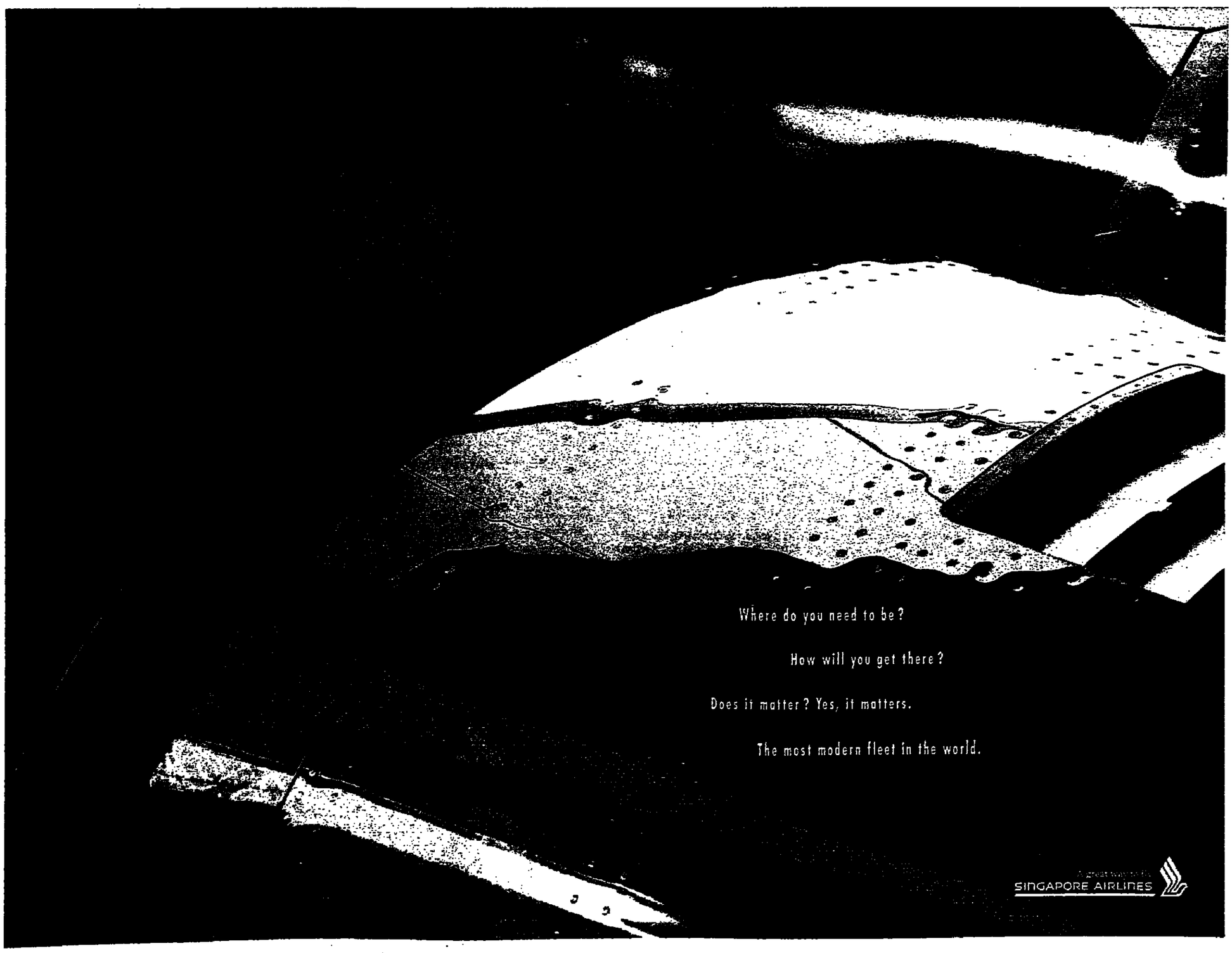
The previous survey, in 1987, showed 62.4 percent of the students could state the exact date and time.

"It's a shocking result," said a representative of the group that conducted the survey, adding, "We must review immediately how we carry out our education on peace."

The survey put 25 questions on the atomic bomb and nuclear issues to 4,700 students attending the 42 elementary and 26 junior high schools in Hiroshima Prefecture.

Asked what they thought about the dropping of the atomic bomb, 55.8 percent agreed "it was an unforgivable act," compared with 70.5 percent in the previous survey.

More students than in the earlier survey agreed that "it couldn't be helped because it was during the war," and that "the bomb was dropped to end the war earlier."



EUROPE

Chechnya Heats Up; Senior Russian Slain

By David Hoffman
Washington Post Service

MOSCOW — Russian forces pressed air and artillery attacks Thursday against Chechen separatists in two villages after a senior Russian general was killed by a land mine, and a bomb ripped open a bus in central Moscow, wounding five people.

Vowing that Chechen fighters "will be eliminated," a Russian commander in the breakaway republic, General Vladimir Shamanov, told the Interfax news agency that "ruthless moves" must be made against the Chechen. He said Russian helicopter gunships and artillery were launching "concentrated and effective attacks on the rebels' positions in southern Chechnya."

There was no claim of responsibility for the Moscow bus bombing near Pushkin Square, but the blast added to a sense of crisis over the sudden upsurge of fighting in Chechnya. President Boris N. Yeltsin's new security chief, Alexander I. Lebed, called the bombing "a mad terrorist act aimed at destabilizing the situation in the capital."

Mr. Yeltsin, who won re-election last week partly on the strength of a promise to end the carnage in Chechnya, remained silent as the military offensive appeared to leave his peace plan in tatters and unleashed new criticism that the cease-fire was a move to win the election.

Alexei Arbatov, deputy chairman of the Parliament's defense committee and a member of the centrist Yabloko bloc, said Mr. Yeltsin's statements about seeking peace in Chechnya "look like an election farce." He added, "I understand that the president does not issue commands to bomb and shell Chechen villages, but he is doing nothing to stop those who do."

Chechnya was convulsed by a new round of violence. The deputy commander of the Interior Ministry troops, Major General Nicholai Skripnik, 52, died when his armored personnel carrier hit a land mine near Gekhi, a Chechen village under siege by the Russian troops.

A Chechen commander, Doku Makhayev, who had been at the peace talks with the Russians, was killed near Gekhi when his convoy attempted to flee the besieged village and Russian troops opened fire.

Ten fighters with him reached a nearby town and tried to seize a local hospital, but were repulsed by the Russian-backed local militia.

Lyudmila Radimushkina, a top municipal administrator in Grozny who was kidnapped on July 7, was found dead near Gekhi, shot by Chechen fighters, local residents told Interfax.

Russian troops were pounding the village of Makhety, where the Chechen leader, Zelimkhan Yandarbiyev, reportedly has a headquarters.

The NTV television channel reported Thursday night that Mr. Yandarbiyev left the village two days before the offensive began. Ten civilians have reportedly been killed in the attacks and 30 have been wounded.

The assault on Gekhi has killed 20 civilians and wounded 42, according to Ruslan Tsakayev of the Moscow-backed Chechen government.

Five Russian soldiers were killed Thursday and 23 wounded, the Russians reported.

■ U.S. Condemns Offensive

The United States on Thursday deplored reported attacks on civilians in Chechnya and suggested that Mr. Yeltsin's government had decided to reignite hostilities, Reuters reported from Washington.

"We are dismayed at the recent escalation of fighting" in Chechnya, said Nicholas Burns, the State Department spokesman. "It's hard for me to account for a decision by the Russian government to escalate and to go after civilians."

Romano Cenzin/Agence France-Presse

Erich Priebke, center, a former SS officer, sitting next to his lawyer, Velio Di Rezze, as his trial for crimes during World War II resumed this week in Rome.

Germans Want Former Nazi If He Is Acquitted in Italy

By Barry James
International Herald Tribune

A West German prosecutor said Thursday that he would seek the extradition of the former Nazi SS officer Erich Priebke if he is acquitted in Rome by a military tribunal that is trying him for a wartime massacre.

The Rome tribunal, meanwhile, was considering a request by Mr. Priebke's lawyer that he be released on bail or to house arrest.

The president of the military tribunal, Agostino Quistelli, said he would defer making a decision on the request until the end of the month.

A lawyer representing Jewish communities in Rome and victims of the 1944 Ardeatine Caves massacre has renewed an appeal for Mr. Priebke's case to be heard in a civilian court, which he said was better qualified to judge a crime against humanity.

A similar request was made earlier by the military prosecutor, Antonino Intelisano. He said that Mr. Quistelli was unfit to preside over the case because he had earlier predicted that Mr. Priebke would be cleared.

But Mr. Quistelli again ruled on Thursday that the case must remain in the hands of the military tribunal.

Families of some of the 335 people killed in the massacre have expressed doubts about the outcome of the trial because the case is confined to the question of whether Mr. Priebke was obeying legitimate military orders.

Then a captain, he headed a unit that herded the hostages five by five into caves near Rome and shot them in reprisal for the killing of 33 Germans in a partisan raid. The hostages included 77 Jews, and children as young as 14. Mr. Priebke has not denied the facts, but said he was under military orders to carry out the killings and would have been executed himself had he disobeyed. He called the massacre, in which he personally participated, a "legitimate" reprisal.

Klaus Schacht, the chief prosecutor for war crimes in Dortmund, Germany, said he was watching the case carefully and had issued an international warrant for Mr. Priebke to be arrested in the event he is acquitted or released by the Rome tribunal.

He would then be tried in a civil court — Germany has no military tribunals — on a murder charge, Mr. Schacht said. Germany and Italy both applied for Mr. Priebke's extradition from Argentina in 1993. Mr. Schacht said he would be unable to act until Mr. Priebke left Italy. The Dortmund prosecutor's office is in charge of pursuing all war crimes trials in Germany.

The Simon Wiesenthal Center is mobilizing resources to prevent Mr. Priebke from returning to Argentina.

The center is acting on the grounds that it would be difficult and time consuming to have to extradite him to Germany on the same charge. The former SS officer is 82.

Mr. Priebke's lawyer, Velio Di Rezze, touched off an uproar in the courtroom when he called for his client's release on grounds of age and health.

He said a Rome businessman, Paolo Giacchini, had offered to look after Mr. Priebke if the court granted house arrest.

Industry Attacks Plan to Cut Gas Emissions

Reuters

GENEVA — Heavy industry groups from around the world on Thursday pressed a major campaign in Geneva to stop moves to cut the amount of carbon dioxide, widely blamed for global warming, that is pumped into the atmosphere by rich countries.

The industry drive, which is getting its impetus from U.S. energy producers and is strongly backed by an Australian grouping, focuses on warning that economic disaster would hit developed and developing countries alike if such cuts were agreed on.

The campaigners, with scientists backing their arguments, aim to sway delegates from some 150 countries at a two-week United Nations conference on measures to halt climate change and rising temperatures.

"We are certainly making progress," said David Banks, a senior official of the Washington-based American Petroleum Institute, which has helped finance a computer program to press the case.

The program is on display alongside booths run by the UN and environmental bodies that say deep and early cuts in carbon emissions are essential to save the world from a climatic and health cataclysm.

Developed by a U.S. consultancy, the software program can show instantly what its compilers contend are the economic losses that would be suffered by any one of 80 developed or developing countries if the use of coal and oil was limited. Coal and oil are the main sources of carbon gas.

The Australian Industry Greenhouse Network, which includes coal, aluminum and gas industry associations, is also lobbying hard among delegates. It is distributing a study arguing that cuts in greenhouse gas emissions would bring a trade slump that would strike all the countries of the Asia-Pacific Economic Cooperation forum, pointing out that Australia would be a prime victim.

The group's stand is backed by the government, whose delegation to the conference is opposing agreement on any uniform carbon reduction targets for the developed world alone.

BRIEFLY EUROPE

Italian Coalition Holds

ROME — Italy's Refounded Communist Party restored its support to the center-left government on Thursday after wresting concessions on inflation and workers' salaries.

But opposition politicians and analysts said the muscle-flexing by the hard-left party had dented the aura of stability enjoyed so far by the government, which took office two months ago, and could spell trouble ahead for the coalition that underpins it.

Prime Minister Romano Prodi has to rely for a majority in the Chamber of Deputies, the lower house of Parliament, on the Refounded Communists, whose 35 deputies hold the balance of power in the assembly.

They broke with the government this week and voted against its 1997-99 economic targets, blocking approval in six lower house commissions, to press for guarantees that salaries would not be hit by a tightened 2.5 percent inflation target for 1997. *(Reuters)*

Paris Eases Up on Aliens

PARIS — The Interior Ministry has ordered that illegal immigrants whose children were born in France be given residence papers, a rare concession by a hard-line government, the daily Le Monde said Thursday.

The newspaper said the ministry circular, distributed to local government representatives, aims to solve many cases in which immigrant parents are not legally allowed to work to provide for their children.

Meanwhile, 75 illegal immigrants from Morocco and Mali were expelled late Wednesday, bringing to 14,572 the number of aliens sent home in the past 14 months, Interior Minister Jean-Louis Debré said Thursday. *(Reuters)*

'Berlin Wall' Killing

BERLIN — Two former East German border guards were charged Thursday with manslaughter in one of the most horrifying shooting deaths at the Berlin Wall.

Berlin prosecutors filed the charges against Rolf Friedrich, 60, and Erich Schreiber, 54. They are accused of shooting down Peter Fechter, 18, on Aug. 17, 1962, as he tried to run from East to West.

Mr. Fechter lay on no-man's land for 50 minutes, bleeding to death as hundreds of West Berliners and U.S. soldiers looked on helplessly across the barbed wire. *(AP)*

Brothel Murders: Guilty

FRANKFURT — A Frankfurt court Thursday convicted a couple in the murder two years ago of four Russian prostitutes and the husband-and-wife pair who ran a high-class brothel.

Eugen Berwald, a 27-year-old Russian of German extraction who lived in Moldova, was sentenced to life in prison.

His wife, Sofia, who worked in the brothel, was given a six-year sentence for letting her husband into the establishment, in a residential Frankfurt neighborhood near the city's fair complex. *(AP)*

Calendar

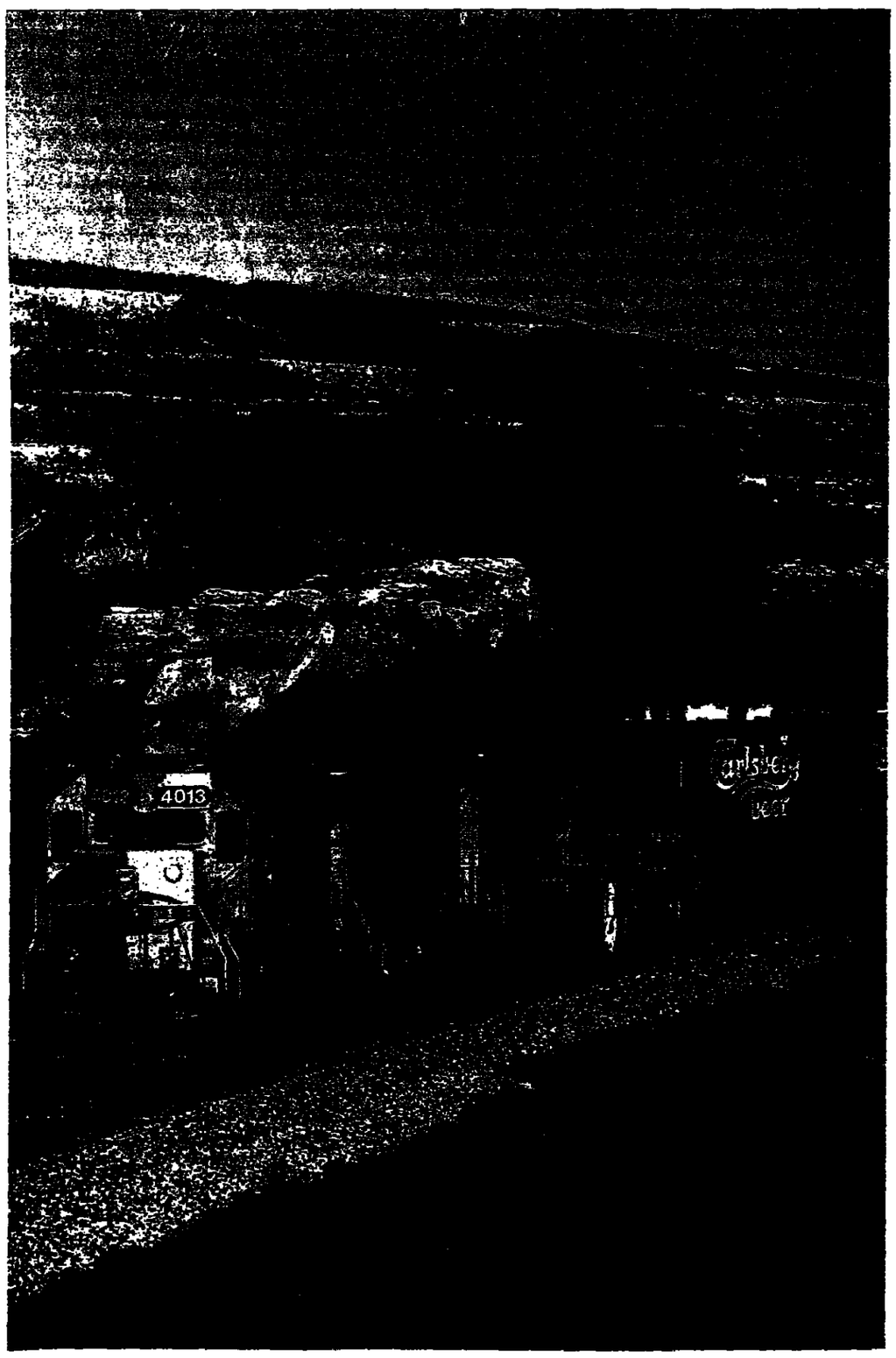
EU events scheduled for Friday:

BRUSSELS: The regional policy commissioner, Monika Wulf-Mathies, meets with the French territorial administration minister, Jean-Claude Gaudin.

BRUSSELS: The European Commission president, Jacques Santer, meets with Klaus Schwab, head of the World Economic Forum.

BELGRADE: Dick Spring, the EU Council president, and Hans van den Broek, commissioner for external relations and common security policy, meet with President Slobodan Milosevic of Serbia.

Sources: AFP, Agence Europe



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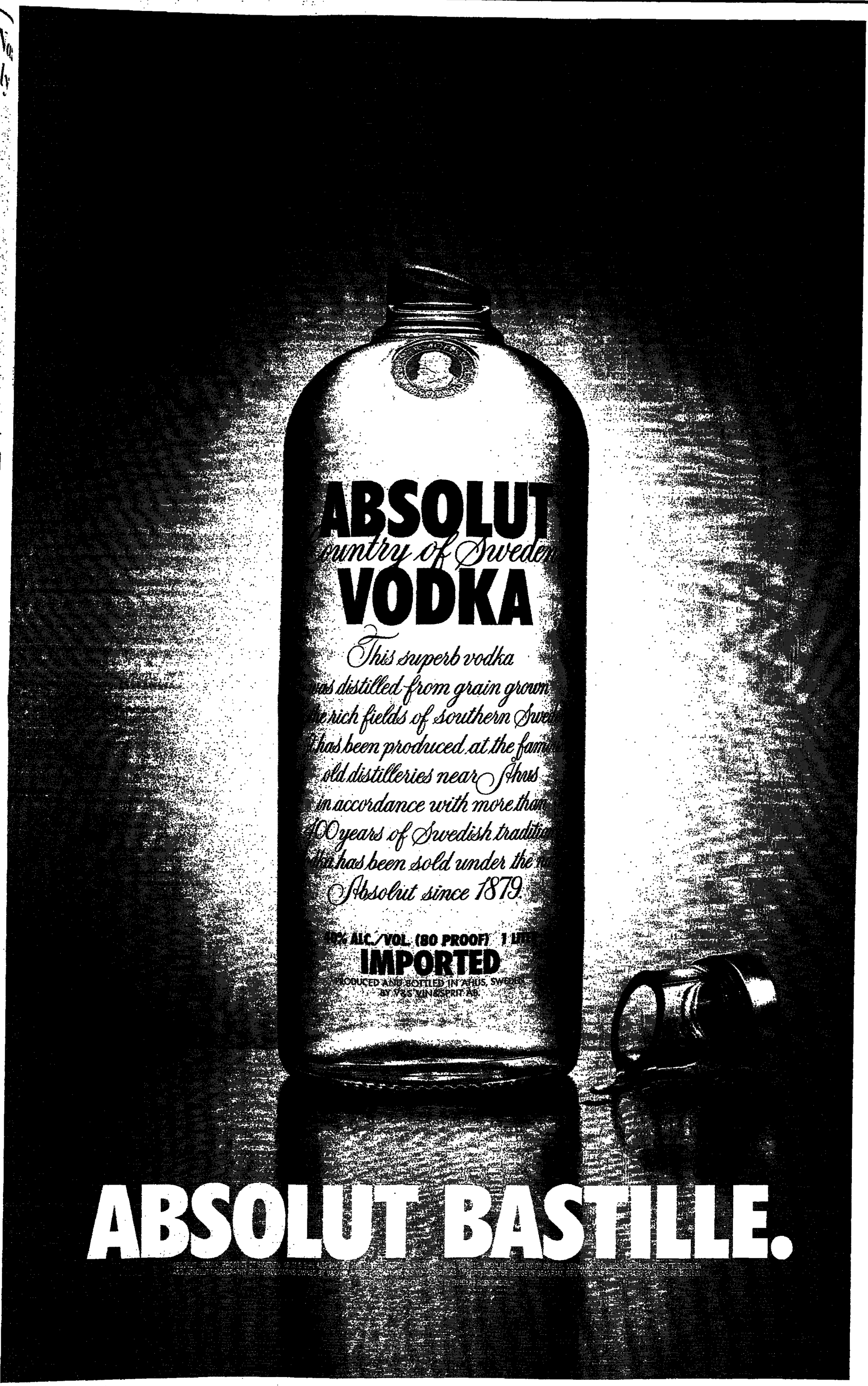
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EDITORIALS/OPINION

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Anti-Nuclear Mischief

Petitioned by a UN General Assembly looking to outlaw nuclear weapons, the World Court has voted by *a narrow margin on the proposition that* the use or threat of these arms generally *runs against international law, particularly* humanitarian law. By the same count, the court adds that the state of the law and the facts at its disposal keep it from deciding whether nuclear arms could be wielded in an "extreme circumstance of self-defense" in which a *nation's* "very survival" was *at stake.*

These opinions are difficult to parse and can be mined for different political as well as legal conclusions. They are described as unenforceable and only advisory. But their overall effect is still gratuitous and mischievous, since in public debate they will be used to lend some color of authority to views that *weaken the theory on which the United* States and its allies have long based their defense.

That theory is deterrence. Demonstrably, the threat of sure and overwhelming reprisal worked during the decades of Cold War hostility to pre*vent war between the superpowers.* It is unquestionable that nuclear arms have their terrible dangers, first of all the potential for escalation and massive civilian and even civilizational destruction. But in fact they were "used" not for war but to save the general peace. In that sense they saved lives — "many millions," the United States argued at The Hague.

With the end of the Cold War, de*terrence has not* been *rendered irrel*evant; it has been given a new dimension. There is no longer a single overwhelming nuclear menace from the Soviet Union to guard against, but there are possible lesser "rogue" state menaces. The global political system is *responding to these new* conditions with programs for the further control and reduction of the arsenals of nuclear haves and for limits on acquisition of these weapons by have-nots.

The shape and pace of the restraints, and of the weapons programs themselves, are open to discussion. This had best take place, and is taking place, in *avowedly political forums.* These are the proper place for the sort of es*sentially political arguments* that were made at The Hague by those who wanted to outlaw nuclear arms. It is interesting that the World Court supports nuclear disarmament, which it *does unanimously.* It is better to have the responsible officials of competent *governments working to build inter*national stability at the lowest possible nuclear level.

—THE WASHINGTON POST.

Extravagant Weapons

After America's spectacularly successful air campaign against Iraq five years ago, selective reporting from the Pentagon and weapons manufacturers painted glowing accounts of the battlefield performance of a new gener*ation of advanced high-tech weapons* like Stealth fighter planes, laser-guided *bombs and Tomahawk missiles.* Based on those accounts, subsequent Pentagon procurement budgets invested heavily in these extremely costly weapons systems, with nearly $60 billion allocated to "smart bombs" alone.

Now, a detailed four-year study con*ducted by the General Accounting Of*fice, comparing Pentagon target data with later damage assessments, finds that the advanced weapons did not achieve significantly better results than much cheaper aircraft and weapons, despite their much higher cost. Laser*guided bombs, which amounted to* only 8 percent of the tonnage dropped during the war, accounted for 84 percent of the munitions cost. Sophisticated Stealth fighters sometimes proved less operationally reliable than more conventional aircraft — and far less effective than advertised.

The air force claimed an 80 percent success rate on bombing runs by the Stealth fighter, but the classified report placed the figure at about half that. In addition, weather conditions and the smoke of battle foiled even the most sophisticated optical and electronic sensing systems and made it hard to locate and home in on important targets. So did the high altitudes pilots flew at to protect themselves from potential ground fire.

The lesson is not to give up on these advanced weapons, which, if used more judiciously and in conjunction with more timely battlefield intelligence, have the potential to provide a military advantage and can at the very least give American forces a significant psychological edge. But Congress does need to take a much more skeptical, cost-effective approach to defense procurement.

It would be a grave mistake to rely too *heavily on finicky technologies that are* effective only under specific operating conditions not always encountered. Congress must assure an appropriate mix of smart and dumb weapons that makes the most efficient use of the taxpayer's dollars and the most suitable *use of advanced technologies.*

That advice is particularly timely just now, as Congress moves to work out differences between House and Senate versions of next year's defense budget. Both versions are swollen with unjustified procurement add-ons that *bring total spending up to $266 billion,* $11 billion above the administration's already excessive spending request.

Special attention should be given to the funding for three new fighter aircraft, all requested by the Clinton administration and all incorporating *Stealth technology, with a projected* eventual program cost of more than half a trillion dollars. Unfortunately, the current Congress, like its predecessors, seems more interested in delivering procurement spending to the districts of influential members than in digesting *dry studies of weapons performance.*

Procurement costs for weapons systems loaded with dazzling experimental technologies of untested reliability and uncertain battlefield utility are a *major factor in keeping defense* budgets close to Cold War levels in a world where no other global superpower threatens American security the way the Soviet Union used to. The United States needs a robust defense, but its spending should have some con*nection to real-world threats and* needs. Right now, American military *spending is equal to that of the next 10* biggest military powers combined — and most of those countries are allies.

By relying less heavily on costly and unproven high-tech weapons systems where conventional weapons would do the job, Americans can have the same high degree of military effectiveness for significantly fewer dollars.

—THE NEW YORK TIMES.

Other Comment

Yeltsin and Chechnya

For fear of helping the nationalist-Communist reactionaries come to power, the West has tended to be too lenient toward Boris Yeltsin, especially as regards his worst offense, the war in *Chechnya. Now that he has been safely* re-elected, the time has come for Washington and Europe to pressure him to settle the crisis once and for all.

— Neue Zürcher Zeitung (Zurich).

Indonesian Uncertainty

No one needs to be reminded about the high price of failure in today's rapidly globalizing economy. But Indonesia is finding that success carries its own costs. Late last month, the Indonesian government stirred politi*cal feelings by effecting the ouster of* Megawati Sukarnoputri, daughter of the late President Sukarno, from the chairmanship of the opposition Democratic Party. But suddenly the 75-year-old President Suharto has been flown to Germany for medical treatment, increasing speculation about what a post-Suharto Indonesia will look like.

The Korean model will not work. We mean the hope that economic growth will be enough to settle all other questions. The problem in Korea was that as its people became more sophisticated and prosperous, they came to resent the same approach that their parents accepted without question. GNP and trade are not the only things that have been changed. So have standards.

Mr. Suharto's health gives him an excellent opening to announce that he will not be a candidate for president in 1998 — and then begin to lok for ways that would preserve preserve Indonesia's hard-fought gains, secure his family from retroactive vindictiveness and position Indonesia for the next century.

— Far Eastern Economic Review (Hong Kong).

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Optimistic Now in Central and Eastern Europe

By Flora Lewis

SALZBURG — The good cheer was almost intimidating, tempting the kind of automatic skeptical reflex that an overeager salesman provokes. One after the other, prime ministers and *other government leaders told the* World Economic Forum's meeting on Central and Eastern Europe here last weekend how good their countries' prospects now appear.

*Of course, everyone was feeling re*lief at the outcome of Russia's election — especially the Russians, who were all Boris Yeltsin supporters. But while there is never a shortage of worrisome problems, the mood has changed on the basis of actual achievement. The major Eastern countries are coming out of their post-Cold War depression and *starting to reap the rewards of reform.*

It's like a Swiss barometer, where one doll goes in and the other comes out. The Easterners were beaming optimism, while the West Europeans were glum about their prospects. Poland's Deputy Prime Minister and Minister of *Finance Grzegorz Kolodko predicted* that his country's GNP by the year 2000 *would be half of Russia's, with a fourth* the population.

The big problem, other ministers said, was that the major goals of the ex-Communist countries entail a contradiction: to raise living standards to the *average of the European Union while* maintaining economic discipline that enables them to approach Maastricht standards for deficits and inflation.

There is an air of confidence that the worst is over and that the question from now on is how fast they will climb. Western experts confirm that Poland, the Czech Republic and Hungary, at the head of the class, have definitely established the base for steady growth.

Their example is good enough to encourage the laggards, who timidly turned reform on and off or were un*willing to take the plunge. Introducing* the market has taken longer and been more painful than early enthusiasts supposed when the Berlin Wall came down, but the results confirm the wisdom of taking the risk.

That has not got through to the tortured Russian giant yet, still bound in the snarls of the old system without *opening enough space for the new.*

The Harvard expert Marshall Goldman pointed out that in the past five years Poland created 1.8 million new businesses and Russia only 1 million. It is uncomfortable for Russians to see *former satellites and even some Soviet* republics outdistancing them. Some tend to accuse Western investors of deliberately discriminating against Russia on political or strategic grounds, itself a sign *that they haven't made the mental shift to* grasp how the West works.

There is no longer any question but that best performing Eastern countries will gain admission to the European *Union, although probably not so soon* as they wish because of the Union's own problems of adjustment. *But set*ting aside doubts means that they can start on the vastly complex internal preparations needed to be more nearly ready when the invitation comes.

Euphoria was exaggerated when this new era began at the start of the decade. *Then disillusion was exaggerated. The* return of ex-Communist parties to power in many former Soviet bloc countries does not after all signal a regression renewing the partition of Europe, but a revival of competitive politics in most of them.

This has security implications. U.S. policy assumes that countries which join the European Union *and also want* to join its defense arm, the Western European Union, will become members of NATO.

So the much debated "architecture" of 21st century Europe is falling into place. It will be a big Europe, a community of powers, and it will rely on a system of collective security that abjures war and obliges cooperation. The United States will be closely linked *with it as the guarantor.*

The Pacific matters, but the United States won't be able to turn away from this Europe with what are becoming, one hopes, obsolete notions of balance of power. There is no intention of isolating Russia, but it will probably take a while longer until Russia gains the confidence already infusing neighbors to see its interest in the same light.

This was the vision long ago of people like Jean Monnet and Konrad Adenauer. The complaints of lack of vision among current leaders may simply be due to failing to notice that the blueprint is already there and the confusing dust and noise are those of the building site where beams are put up and concrete is poured.

Sometimes it's harder to see the good news, which doesn't strike like disaster but comes imperceptibly.

© Flora Lewis.

Serious Differences Likely Between Washington and Moscow

By Dimitri Simes

WASHINGTON — The high drama of the Russian election obscured serious dif*ferences now emerging between* Moscow and Washington. These go beyond disagreements over specific international issues to the type of future world political system and the roles that the United States and Russia will play in it.

As Russia establishes its new *national identity, it is increas*ingly reluctant to accept the notion of American global leadership. Foreign Minister Yevgeni Primakov said recently: "Some in the West would like Russia to adopt a submissive *stance, but they certainly will* not secure this ..."

In other statements he emphasized that preventing the United States from constructing an international order where it could act as "the world's single *superpower" is among the prin*cipal objectives of Russian diplomacy.

No longer does Russia consider a strategic partnership with the West its No. 1 foreign policy priority. The new focus *is on re-establishing Russian in*fluence over other post-Soviet states. Moscow has neither the resources nor the stomach for outright aggression, but it is promoting integration with other newly independent nations, *clearly designed to restore Rus*sia — amicably when possible, and through less subtle pressures when necessary — as a geopolitical and geoeconomic hegemon of Eurasia.

NATO's expansion is anoth*er contentious issue. Some re*cent statements by Mr. Primakov and Security Council Secretary Alexander Lebed show new flexibility in the Russian position. Moscow has realized that a crude assault on the *right of NATO to admit other* sovereign nations is counterproductive. Still, the Russian policy is to delay NATO enlargement and exercise so much influence over who will be allowed to join and on what terms *that it contradicts the funda*mental objective of the enlargement: to anchor new Central European democracies securely to the West.

On another burning European issue, Bosnia, Russian and *American approaches also di*verge. A few days ago the Russian Foreign Ministry warned against so-called "strong-arm operations" to arrest Radovan Karadzic and other Serbian leaders indicted for war crimes.

Moscow is eager to use China as a counterbalance to *U.S. global influence. Chinese* human rights practices are treated as Beijing's internal affair, and Russian policymakers dismiss American attempts to *criticize them as violations of* China's sovereignty.

In the Middle East, Russia opposes U.S. containment of Iran and Iraq and is supplying nuclear reactors to Tehran and lobbying for lifting sanctions against Baghdad. Recently, Moscow tried to play a more active role in Arab-Israeli disputes, working at cross-purposes with U.S. diplomacy.

Cuba, treated until recently as an embarrassing relic of the Soviet imperial past, has become a beneficiary of new Russian assertiveness. Although his revolutionary charisma is gone, Fidel Castro is again considered Moscow's geopolitical asset in an effort to complicate the U.S. world position.

After falling for several years, Russian arms sales are on the rise again. Moscow's share of world weapon deliveries increased from 4 percent in 1994 to 17 percent in 1995. Russian officials proudly state that a further jump is expected in 1996. *Considering that Russian arms* exports are still frequently handicapped by inferior quality and unreliable service, it is inevitable that *many of them go to* rogue regimes that cannot obtain weapons elsewhere.

The magnitude of America's Russian problem should not be overdramatized. Russian leaders are pragmatic people. They *see their common interests with,* and dependence upon, the West and do not want to rock the boat prematurely. If the United States could do business with Leonid Brezhnev and Andrei Gromyko, it certainly can do it more easily and better with Boris Yeltsin and Mr. Primakov, and probably even with the self-described "semi-democrat" Mr. Lebed.

But for that to happen, the United States needs to have a clear definition of American interests and a realistic appreci*ation of Russian developments.* The Clinton administration in its self-serving euphoria over Mr. Yeltsin's victory is in *danger of failing to engage* Moscow in a serious dialogue.

A new U.S. diplomatic agenda toward the resurgent Russia is needed. The old preoccupation with how the Russians conduct economic re*forms and comply with Cold* War-era arms control agreements should give way to new priorities: protecting the independence of other post-Soviet states, including their energy resources; letting NATO and Central Europeans decide how to proceed with enlargement without Russian interference; pursuing common ground on the treatment of rogue states.

Inside Russia, two matters should get more attention from Washington: control over nuclear weapons and facilities, and opportunities for American investment. It is not just Russia's objective difficulties but also a pushy and ruthless new Russian business elite and the Yeltsin government's lack of commitment that hinder American access to the Russian market.

With no need to worry anymore about how American policies may affect the Russian electoral outcome, the United States has to start talking to Russia as a re-emerging great power rather than as a psychi*atric patient entitled to special* understanding and indulgence.

And considerable economic leverage should be employed to demonstrate to Moscow what the United States demonstrates to other important nations: *Those who want the benefits of* U.S. cooperation should respect America's important interests.

The writer is president of the Nixon Center for Peace and Freedom, a public policy institution with offices in Washington and Yorba Linda, California. He contributed this comment to The Washington Post.

Keep Up the Momentum of Rebuilding in Bosnia

By Tim Cullen

WASHINGTON — Nothing quite prepares the visitor to Bosnia for the legacy of human tragedy that the war has left behind. Many houses are simply shells; most have lost windows, and almost all are pocked by automatic weapons fire, mute witnesses to the *blighted lives of their occupants.* Factories lie idle, and railways, roads and power transmission lines bear the scars of the war. Warning signs caution against straying into mine fields.

Bosnia's broken bridges *symbolize the country's divi*sions. The 16th century bridge *linking East and West Mostar* lies at the bottom of the Neretva River, replaced by a narrow temporary span — a Band-Aid on the ethnic divisions that the *war has left to fester.*

The last time I had been in Bosnia, the people were looking forward to the Winter Olympics. The only building without a roof was the skating arena, which was under con*struction, and the holes in the* streets were for the pipes being laid for Sarajevo's new water supply and sewerage system. The country exuded optimism.

In spite of the problems the war has left, some of that former optimism is returning.

During my recent visit to see the early progress in the reconstruction program in which the World Bank, the European Commission and donor countries are engaged, the Bosnian people were experiencing their *first peaceful summer for five* years. Families were picnicking beside mountain waterfalls in central Bosnia; streetcars were running along Saravejo's Marshal Tito Street every three minutes; in other towns, mar*kets were once again function*ing, selling everything from farm produce to clothing.

The reconstruction effort is now well under way. Bridges, roads and railways on the highest priority routes are being *rebuilt. Turbines in hydropower* stations, flooded during the war, are being repaired, and overhead power lines are being reconnected. The enormous task of clearing land mines has begun.

Thousands of pregnant heifers will soon start arriving to *build up Bosnia's herds.* Farmers are receiving seeds, equipment and support services so that Bosnia can move away from its dependence on food aid.

Schools are being repaired, teachers are being recruited to *join those who struggled to* maintain basic education during the war, and text books are being purchased so that schools can open on time in September.

The international effort to rebuild Bosnia's housing stock is *being complemented by fam*ilies who are patching up their houses themselves. One inventive person had built a greenhouse out of the plastic sheeting emblazoned with the initials UNHCR that is used everywhere *until windows can be re*placed in houses and offices.

Commerce promises to be the mortar of a lasting peace. A group of refugee women I met in Tuzla, who told harrowing stories of their escape from Srebe*nica and other towns, had all* obtained loans of 500 Deutsche marks based on business plans they had presented to a local nongovernmental organization. One had bought art supplies and was making souvenirs, while others were making clothes with sewing and knitting machines they had bought.

Near Zenica, a Muslim farmer who is using a disused coal mine to produce mushrooms with the help of 10,000 DM loan *told me that he travels to Croatia* every three months to replenish his mulch and spores.

These loans are being administered through NGOs and local banks with funds provided by the World Bank and other *donors. It was encouraging to* be told by the director of one of these banks that he had just started to do business in Republika Srpska.

Another encouraging sign was the number of foreign businesspeople coming to look for reconstruction contracts and long-term investment opportunities. Everyone I met — government officials, mayors, bankers, businessman, refugees trying to start businesses — agreed that people wanted to move from humanitarian assistance to helping themselves. Everyone also wanted to move rapidly on privatization as a key ingredient in Bosnia's belated transition to a market economy.

One of the problems, which was raised by the mayor of Tuzla, where the big chemical factory complex is inoperative, is how to restart the big industries that employ a lot of people. Clearly, many big industrial concerns should not be restarted, because they do not have markets for their products.

The key is going to be to find foreign private investors who can make the commercial judgment on the feasibility of restarting particular companies. The World Bank plans to offer political risk guarantees for *such investments so that in*vestors will be protected in the event of hostilities restarting.

Summer has lifted people's spirits and provided an opportunity for reconstruction to get started, but life in Bosnia is still *a long way from getting back to* normal. The winter months will make much of the rebuilding work more difficult and will be a harsh reminder that power and gas are still *in short supply.*

At their recent summit in Lyon, Group of Seven leaders called on all donors to accelerate payment of the pledges they made earlier this year so that the momentum of reconstruction can be maintained. People in Bosnia are beginning to see that the first year of peace is improving their lives. The international community should not let them down.

The writer, a senior adviser at the World Bank, contributed this comment to the International Herald Tribune.

An Unfinished EU Job

MOSTAR, Bosnia-Herzegovina — The June 30 elections in the divided Bosnian town of Mostar were a preliminary success. More than 58,000 Bosnians took part, and dozens of buses traveled freely between Muslim-occupied East Mostar and Croat-controlled West Mostar without incident.

Displaced Mostarians visited flats they thought they would never see again, and exchanged hugs and drank coffee with friends *they swore they would never speak to again. For the first time since* May 1993, when Croatian nationalists commenced the "cleansing" of West Mostar, the town's two tattered halves merged.

The elections in Mostar were not important for their results; those were preordained along national lines. The voting was immensely important for the message it should send to Western policymakers: The mandate of the European Union Administration of Mostar, *which expires on July 23, must be extended so as* to ensure that the June 30 reunions were not a one-day affair.

The administration has spent more than $130 million rebuilding a town from which more than a third of the ethnically mixed population were brutally expelled. For the first 18 months of the mission, EUAM money could not buy love. The picture was clouded by Croatian politicians and gang leaders determined to preserve their nationalistic and lucrative Croatian para-state and to obstruct EU bridge-building at every turn.

The EU mission acted as a mollifier and lubricator. Administrator Hans Koschnik made the rivals sit at the same table together. For this the Croats rewarded him with two assassination attempts.

It was only in February that the EU presence finally began paying dividends. Confronted by the momentum of the Dayton agreement, frightened by a spate of New Year killings and at long last pressured by Europe and the United States, the local Croats finally budged. As a result, Muslim citizens are now free to enter West Mostar; Muslim and Croat leaders meet several times a week to discuss municipal issues; and policemen of the Western European Union escort joint Muslim-Croat police patrols.

The situation remains unsatisfactory. The "free" movement is self-censored; refugee returns are nonexistent; evictions of Muslims from West Mostar continue; the patrols are purely symbolic. Still, after two years of efforts, the June 30 election created joint Muslim-Croat-Serb institutions. *It is now that the real work must begin and* that EU guidance and supervision are needed most.

— Sir Terence Clark, director of an International Crisis Group mission in Bosnia. The London-based ICG is monitoring application of the Dayton agreement.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Bloody Murder

VIENNA — The quiet town of Gmunden was on Tuesday [July 7] horrified by the discovery of unexampled brutality which had taken place in the Hotel Zum *Goldenen Hirsch. In the centre* of the floor was lying the dead body of Herr Ostersetzer, the face covered with blood and bearing traces of strangulation. All over the room were signs of a fearful struggle, the bedclothes and carpet being stained with blood. Robbery had evidently been the motive of the crime.

1921: Passengers Held

PARIS — [The Herald says in an Editorial:] It would be a marvel if Federal authorities could find ways of enforcing laws affecting aliens and criminal suspects without annoyance, insult and even financial injury to the innocent and native-born. The stupid interpretation of the new Immigrant Law at the port of New York which caused the detention of all the first-class and second-class passengers on the steamship Oropesa from *England speaks volumes for* somebody's lack of intelligence, and that somebody ought to be promptly dismissed from the public service.

1946: Bikini Data

WASHINGTON — A board of experts advised President Truman that the Bikini atom bomb test provided adequate data for redesigning Naval vessels to minimize damage to superstructure and deck personnel. A vast amount of data were made available by the test. "There can be no question that the effort and expense involved in this test has been amply justified by the information secured and by greatly narrowing the range of speculation and argument," it was stated.

OPINION/LETTERS

In Urging Higher Rates, Bears Try to Fleece Sheep

By James K. Galbraith

AUSTIN, Texas — The American economic news a week ago was so good it was a disaster. Unemployment has fallen to 5.3 percent, the lowest it has been in six years. June payrolls increased by 239,000 jobs. And the average hourly wage rose by 9 cents, the biggest one-month jump ever recorded.

Pandemonium on Wall Street!

The yield on the 30-year Treasury bond leaped a quarter of a point, finishing at 7.18 percent, as traders dumped inventory. And stocks plummeted — the Dow Jones industrial average dived 114 points.

Amid the commotion, one could hear the bond bears roaring their message: with inflation sure to surge, the Federal Reserve must raise short-term interest rates. Many of the bears said that had the Fed's Open Market Committee known at its meeting on July 3 what the secretive Bureau of Labor Statistics would announce two days later, it would surely have raised them. Some urged the Fed to correct this "error" immediately without waiting until the next regular meeting in August.

Nonsense. There is no cause for alarm. The evidence does not portend surging inflation.

To begin with, the annual rate remains low: 2.9 percent in the year that ended in May. Inflation is not accelerating. Instead, productivity growth appears to be picking up. If this pattern continues, it will permit wages to grow for some time, with little effect on price inflation.

The decline in unemployment also means little. Some economists still hold to the notion of a "natural rate of unemployment" at 6 percent or a slightly lower figure, below which they believe inflation spirals out of control. But joblessness has been less than 6 percent without raising inflation since September 1994.

Recent studies confirm that there is little reason to fear that prices will rise simply because of low unemployment — or, for that matter, rapid growth. Most inflation of past decades had different causes, like oil shocks and war.

The bears in the bond market must know that their inflation warnings are unfounded. So what are they up to? The answer seems clear. We have a speculation problem, not an inflation problem.

The bears make their living by betting on the Fed's next decision, not by calling the economy. The bears predict when short-term rates will be raised and when they will decline. By selling and buying long-term bonds in advance, they can make a lot of money — if their predictions are right. So it is natural that they try to affect the Fed's decisions.

This game has been in full cry since at least October 1993, when bond-market insiders correctly anticipated (and may have provoked) the Fed's rate increase of February 1994. All through that year, each time the Fed raised interest rates, the stock and bond markets churned.

If short-term rates are pushed up tomorrow, many ordinary investors will panic and dump their bonds and stocks. Then the speculators can buy cheap and "shear the sheep" — the small investors, in the speculators' lingo.

Sell bonds, create momentum, influence policy — what a game! But maybe the game has changed. News reports last week suggested that the Fed chairman, Alan Greenspan, may have given up the "preemptive strike" anti-inflation strategy of 1994. Good. The idea that the economic evidence counts for something is central to proper monetary policy.

But Mr. Greenspan now has to face down the bears.

It would be an extremely good thing if the Federal Reserve held the line through the summer and fall — at least as long as core inflation (calculated without volatile food and energy prices), measured over six months or so, remains reasonable.

In that event, the interest rates on long-term bonds will finally begin to decline, and maybe short-term rates will follow. Traders committed to a strategy of creating panic will lose money. So what?

The Fed did the right thing in not raising interest rates last week. Now it should stand firm and show the speculators who is in charge.

The writer teaches economics at the Johnson School of Public Affairs at the University of Texas in Austin. He contributed this comment to The New York Times.

The G-7 fights terrorism.

LETTERS TO THE EDITOR

The UN Chief

Regarding "Below the Belt: The Low-Down U.S. Attack on Boutros Boutros Ghali" by A.M. Rosenthal (Opinion, June 22):

Mr. Rosenthal's arguments against the U.S. decision to veto a second term for Secretary-General Boutros Boutros Ghali are unconvincing but revealing. The UN secretary-general is certainly an urbane and educated diplomat. But he continues a long tradition of mismanagement and ineffective leadership in an organization whose finances are in disarray and bureaucracy out of control.

Mr. Rosenthal's assertions of hypocrisy and political pandering in the U.S. position ignores this problem and raises a fundamental question: How can the member states rely on the United Nations when it cannot balance its own checkbook or make meaningful headway in managing their expectations and conflicting demands?

Whatever its motivations, the Clinton administration is right to insist upon accountability and new leadership. The credibility and ultimate viability of the United Nations is at stake.

ROBERT R. PINGEON.
Paris.

Under the leadership of Boutros Boutros Ghali, UN troops in Rwanda ran away when the massacre of the Tutsi began. In the UN "safe haven" of Srebrenica, they stood by and watched while 8,000 civilians were taken away to be slaughtered. His message to the gangsters and psychopaths of the world has been: "If you want to commit genocide, the UN will hold your coat — and dispense bandages to the survivors."

What general, government minister or chief executive could consider hanging on to his job after such disgraceful betrayals of trust? Only one utterly devoid of a sense of shame and with an arrogance exceeding the bounds of sanity as well as decency.

But instead of considering his apparent connivance in crimes against humanity, Americans seem content to debate his effectiveness as a "reformer" of the United Nations bureaucracy.

RICHARD SHEELER.
Geneva.

In the articles about Mr. Boutros Ghali's tenure, only the "failures" are mentioned and not the successes.

Where Mr. Boutros Ghali's ideas have been followed, in, say, El Salvador or Mozambique, UN peacekeeping managed to reduce the causes of conflict and provide a stake in shared progress among former combatants.

Mr. Boutros Ghali pushed for the Nuclear Nonproliferation Treaty. He has built momentum for what he terms "micro-disarmament" to dry up the flood of small arms and assault rifles that guarantee conflict in scores of countries and fuel crime in Western cities. And give credit to Mr. Boutros Ghali for launching the campaign to ban land mines.

The articles seem to forget that Mr. Boutros Ghali has to act in accordance with the UN members. The failure in Somalia as well as in Rwanda cannot be considered as a failure of the secretary general. The same can said of Bosnia.

KYRA BODART.
Paris.

First Ladies' Chat

Deborah Tannen in "Just Talking It Over With a Friend" *(Opinion, July 3)* misses the point. The press ridicule of Hillary Rodham Clinton's conversations with Eleanor Roosevelt doesn't derive from male chauvinism (female commentators were the most mirthful), or political archness (spouses in both parties have had their metaphysical moments), but rather from the flat out self-indulgent goofiness of the affair. Wise old Eleanor Roosevelt might have pointed this out had not Mrs. Clinton done the talking for both when they had their little chat.

JOHN W. WOOD.
London.

Thunder and Lightning In the Telling of Stories

By Lee Smith

CHAPEL HILL, North Carolina — I grew up in the southwest Virginia coal fields in a big family of storytellers who, my mother liked to say, would rather "climb a tree to tell a lie than stand on the ground and tell the truth."

I spent my childhood hanging around the Buchanan County Courthouse, where my granddaddy was the treasurer, and at my daddy's dime store right across the street. I heard a lot of stories.

MEANWHILE

I also read every book I could get my hands on. What I especially liked were the books that made me feel all wild and trembly: "The Secret Garden," which I read maybe 20 times; and "Little Women," especially the part where Beth dies; and "Gone With the Wind," especially the part where Melanie dies. I loved anything at all about horses and saints.

Reading, I felt exactly the way I felt during summer thunderstorms: I just had to run out of the house and up the mountain into the very storm to whirl in the thunder and rain while lightning cracked all around me.

So two years ago, when I was offered a Lila Wallace-Readers' Digest Writers' Award to do community work, I went back to the coal fields to teach with a literacy group.

Now, for several weeks each year, I work with the Hindman Settlement School right over the Virginia state line in Hindman, Kentucky.

The school's adult-learning center, a no-nonsense brick building overhanging a muddy creek, offers a literacy program, adult-education classes and tutoring services for the high school equivalency exam.

The need for these programs is great. Half the county's population hasn't made it through high school. Most dropouts leave before the ninth grade. Unemployment is high, and incomes are low.

My work in this brick building has helped me remember the enormous sense of empowerment that comes with mastering written language.

It was, for example, a revelation for me to meet Connel Polly from Vicco, Kentucky, a red-haired, talkative contractor who for almost 50 years had kept his illiteracy a secret from everybody but his wife.

In "It's Like Coming Out of a Deep Hole," his book of memories published by the Hindman school, he writes:

"One time, the mining company sent me to Canton, Ohio, going after mine parts in a pickup truck. They had told me which roads to take and what the exit was, and I was supposed to find this company that was on Fifth Street. So I drove all around looking for a 5, and I couldn't find it. That's when I realized 'Fifth' was a word, and I couldn't read it. I couldn't find it.

"That's the only time I ever cried in my life. I just pulled off the road and sat there and cried. I was eight hours away from home and it was getting dark. That was pitiful. Finally I had to ask somebody, and it turned out I was sitting right at it. I could see it. I felt so bad I didn't even stay the night."

Now, he writes:

"I didn't know learning to read would change my life so much. It has made me have more confidence in myself. Before, I even had a fear of going into a public restroom. I had fear of being embarrassed by someone handing me something to read.

"I stayed away from places such as banks, post offices and doctors' offices. The first visit to a new doctor was hardest because you had to fill out forms. I always had my wife with me. Now, I'll go anywhere. Also, me and my wife leave notes for each other. Now that's something!"

It's a long, winding road from where I am living now to the mountains of eastern Kentucky. But it has brought me home — back to what reading and writing were all about in the first place. Helping people express themselves in writing for the first time is like watching them fall in love.

For me, it has brought back the old thrill, the lightning storm.

The author teaches writing at North Carolina State University. She contributed this to The New York Times.

BOOKS

FALSE IMPRESSIONS: The Hunt for Big-Time Art Fakes

By Thomas Hoving. 366 pages. $26. Simon and Schuster.

Reviewed by Philip Kopper

LIKE most part-time writers, Thomas Hoving, the famous former director of the Metropolitan Museum of Art, art connoisseur, Connoisseur magazine publisher, author, authority and fine-art conglomerate unto himself, is best when writing about things and people he knows and likes.

There is gold here, starting with the sketch of his first tutor in the counterfeiting arts, Frank X. Kelly, an aging art restorer with a chronic cough and an addiction to playing the ponies. As a kid with a summer job, Hoving was killing time in Kelly's studio one day, browsing in a work room where suddenly in "bin after bin, I found the same astonishing thing. Edouard Manets finished and barely begun. Works by Paul Cézanne, both oil and watercolor, complete or just started. Fully and partially painted Renoirs — there must have been twenty of them."

Kelly cranked out convincing pictures for a dealer who kept him in betting money. Hoving agreed to keep his secret for a price: a tutorial. Thus he started what he would have us believe is a lifelong study of fakery and a career as a nobler being, which he repeatedly identifies by the tacky coinage "fakebuster."

A classic fakemaker, Kelly never copied a genuine work entirely; the best creators of counterfeit protect themselves by not peddling their own work as valuable or old. Rather, they maneuver so that a grand acquisitor sees a fake as what he wants to see.

In the chapter on "one of my closest friends in the world," an aristocratic Austrian dealer and bon vivant, "Wolfie" Hofstatter offers Hoving a treasure of a sort he has long sought for the Cloisters, a Madonna from the cusp of the Renaissance for $350,000 cash. When Hoving discovers it is a fake that last sold for $1,000, he treats the dealer to a three-star dinner and over old brandy proffers a sealed envelope containing not greenbacks but a wad of photos proving the scam. The friends will never meet again.

Hoving reveals surprising names as knowing or naive copyists, including El Greco and Monet, who advertised that his pictures of churches were all slightly different to prove that all were originals, not to record subtle shifts of light. He tells of a Michelangelo in the Met that may be an ancient copy and suggests that van Gogh's "Sunflowers," which fetched $40 million in 1987, "is not a van Gogh" but a student's work. He believes that the finest fakes remain undiscovered-because they adorn walls of museums, private collections and Madison Avenue galleries, even as some Frank Kellys do today!

Of the works Hoving examined while at the Met, he asserts that "fully 40 percent were either phonies or so hypocritically restored or so misattributed that they were just the same as forgeries." Fakery is ancient, he points out; it flourishes as values of genuine art climb. But he has a snide way of waxing superior. He boasts of smuggling art treasures. He settles old scores.

Sour in places, tediously detailed in others and lacking the ecstasy of an engaged art lover, this one-volume history of counterfeits is still a must-buy — or must-borrow — for collectors and students of art.

Philip Kopper, the author of three histories of museums, wrote this for The Washington Post.

RADIO PRIEST: Charles Coughlin, the Father of Hate Radio

By Donald Warren. 364 pages. $27.50. The Free Press.

Reviewed by Richard Bernstein

FOR about 16 years, from the mid-1920s until the United States entered World War II, there was no more balefully influential public personality in the country than the Reverend Charles Edward Coughlin.

At the height of his power, this Roman Catholic priest, who was overtly anti-Semitic and covertly pro-Nazi, operated from a parish in suburban Detroit that had to build a post office just to handle his mail. He had a regular audience of 16 million for a radio program with the disarmingly poetic name "The Golden Hour of the Shrine of the Little Flower."

Coughlin perfectly exemplified what the historian Richard Hofstader famously called the paranoid style of American politics. His message was that Jews and Communists, in league with bankers and capitalists, were out to get the little man, and a lot of people believed whatever he said.

In 1939, after Coughlin urged against relaxing the American arms embargo on Loyalist forces in the Spanish Civil War, petitions in favor of his point of view soon circulated in Congress with 1.75 million signatures.

In a day of renewed right-wing populism, Coughlin's ideas have a familiar ring, a point certainly not lost on Donald Warren, a professor of sociology and anthropology at Oakland University, who has written a solid, factually complete, well-researched biography.

But "Radio Priest" is stylistically undistinguished, and it falls short of giving the reader a sense of psychological intimacy with its subject. Warren's book, in other words, is one of those informative and valuable studies that never comes fully to life.

Strangely, as he puts his subject into historical context, Warren stresses not figures like Pat Buchanan or Pat Robertson but something more sensational: the bombing of the federal building in Oklahoma City in 1995.

The radio priest, Warren writes, is at the beginning of a line that led to that terrorist attack, which put the spotlight on "the existence of a powerful hate movement — primed by paranoid fears of government control, fed and fostered by talk radio."

There are several problems with this, not least that drawing a straight line from Coughlin to the Oklahoma City bombing seems a mite oversimple — as is Warren's rather glib conflation of talk radio with hate radio.

Richard Bernstein is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE effort to promote bridge classes in Manhattan schools continues to bear fruit, thanks in part to the efforts of Anita Strauss at "Library Power." The man who started it all is Sidney Rosen, who completed his fifth year of teaching fourth and fifth graders at Public School 158 on the Upper East Side. The season ended with a tournament, with bridge T-shirts distributed to all.

The winner of the trophy was Shravani Vundavalli, with Gina Lee second and Elianna Mesaikos third. Surprisingly, all three are fourth graders, and they have learned well. The bidding and play of the diagramed deal was decidedly sophisticated.

Four natural bids were made at the one-level, and when South bid one no-trump he was raised to four no-trump.

This was an accurate invitation to six no-trump, and in accepting he showed his aces, a sensible procedure.

Vundavalli was now in six no-trump, from the right side, and received a spade lead. He took the ace and jack before crossing to the club queen to cash two more spades. He played the club king, hoping to claim 13 tricks, but East's discard gave him more to think about.

He cashed his four diamond winners, and when West gave up the heart queen to save his club guard he was thrown in with the heart ace.

The ace-nine of clubs won the last two tricks, and the slam was made.

That was good bidding and play for a fourth grader — or a fortieth grader.

NORTH
♠ K Q 5 2
♡ 10 3
◇ A K J 4
♣ K Q 8

WEST
♠ 7 4
♡ A Q 9 2
◇ 8 6 3
♣ 10 8 7 5

EAST
♠ 10 9 8 6 3
♡ 7 6 5
◇ 10 9 7 5
♣ J

SOUTH(D)
♠ A J
♡ K J 8 4
◇ Q 2
♣ A 9 4 3 2

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♣	Pass	1 ◇	Pass
1 ♡	Pass	1 ♠	Pass
1 N.T.	Pass	4 N.T.	Pass
5 ♡	Pass	6 N.T.	Pass
Pass	Pass		

West led the spade seven.

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Netanyahu Wields American-Speak to Get the Message to Congress

By Steven Erlanger
New York Times Service

WASHINGTON — Prime Minister Benjamin Netanyahu of Israel has put his deep knowledge of American politics and lingo to work this week, moving with verve through the stations of official Washington, spreading his message of Israeli self-reliance and skepticism about Arab intentions.

In an address to a joint meeting of Congress,

NEWS ANALYSIS

talks with key congressional leaders, a session at the National Press Club and a speech to a predominantly Arab audience, Mr. Netanyahu displayed his considerable diplomatic and political skills, honed by his long service at the United Nations.

Educated in the United States and fluent in American-speak, Mr. Netanyahu combined wit and bluntness to charm some of his most difficult audiences, including President Bill Clinton.

But he also drove some of his supporters to new heights of praise; Representative Benjamin A. Gilman, Republican of New York and chairman of the House international relations committee, called his speech to Congress "an eloquent and visionary tour de force."

In fact, though, Mr. Netanyahu broke no new ground. Rather, he reiterated a message decidedly different from that of his predecessor. He spoke of a commitment to peace, but with the emphasis on Israel's security; of adherence to Israel's agreements with the Palestinians, but on the basis of reciprocity, and of the inadmissibility of negotiating with Arab states who simultaneously incite or support terrorism against Israel.

Mr. Netanyahu was speaking to two audiences, of course: the United States, Israel's closest ally and protector, and Israel, which is judging him carefully after one of the closest and most bitter elections in the nation's short history.

David A. Harris, executive director of the American Jewish Committee, said that the message to the United States is, "I'm someone you can work with, who knows you and admires you," while the message to the Israelis is, "I can be uncompromising in my principles and successful in presenting my case and furthering Israel's cause."

Mr. Netanyahu's speech was broken by applause more than a dozen times, especially when he said: "There will never be a re-division of Jerusalem. We will not drive out anyone, but neither shall we be driven out of any quarter, any neighborhood, any street of our eternal capital."

The message: 'I'm someone you can work with, who knows you and admires you.'

Congress has passed legislation mandating the move of the U.S. Embassy from Tel Aviv to Jerusalem, but the Clinton administration has said that the future status of Jerusalem should be decided by talks between Israel and the Palestinians.

In another section that went down well with Congress, Mr. Netanyahu urged the world to join the United States and Israel in isolating Iran and Iraq and preventing them from acquiring nuclear capability. "Time is running out," he said.

Despite the concern of Israeli aides over what they considered too skeptical coverage in major American media, American officials tried to put as happy a light on Mr. Netanyahu's visit as they could.

But Washington continues to believe that a comprehensive peace is best achieved by the exchange of Israeli-occupied land and that new Israeli settlements in occupied territories will create more obstacles in talks with the Palestinians.

The Americans do not challenge Mr. Netanyahu's right to a different approach, while remaining skeptical of a quick or positive outcome. It is one thing, they say, to ask for Syria to stop terrorism and display its good intentions in Lebanon, but if Mr. Netanyahu is not prepared to trade the Golan Heights for a peace settlement, American officials believe there is little likelihood of a larger peace between the two countries.

Nor do administration officials think it is likely that Syria will give up what Damascus perceives to be its leverage over Israel, which is its ability to destabilize southern Lebanon and northern Israel.

Mr. Netanyahu's policy statements were punctuated by lighter moments. He said, for example, that previous Arab-Israeli negotiations were reminiscent of collective bargaining: "We bargain; and the Arabs collect."

But his performance did not go over well with everyone. Halla Maksoud, president of the American-Arab Anti-Discrimination Committee, said she and members of her group were dismayed, not by Mr. Netanyahu's statements, which they anticipated, but by the favorable reaction to them among U.S. leaders.

"That he could state such a position on Jerusalem and get a standing ovation in Congress, including some members of the administration, was shocking," she said. "He blames the Syrians, Palestinians and everyone else to preempt the U.S. administration from blaming him when, as a result of his policies, the peace process becomes defunct."

Serbs Mark a 'Victory,' Victims Are Exhumed

The Associated Press

CERSKA, Bosnia-Herzegovina — Bosnian Serbs celebrated Thursday the first anniversary of their conquest of Srebrenica while, nearby, war crimes investigators were sorting through bones and fragments of men and boys captured and shot after the Muslim enclave fell.

Most of an exposed grave, in which scientists have dug up more than 40 corpses, was covered with a green tarpaulin to protect the remains from rain, hail and the steamy air that hung over the hills after a midday storm.

Investigators concentrated on collecting hand bones that had fallen off skeletons and tumbled to the bottom of the embankment — following the path of many of the victims. Investigators surmise that the victims were lined up along the side of a ridge, shot and pushed downhill.

"It is a death not to be wished upon anybody — to be killed, to be discarded, to be covered up," said a forensic scientist, William D. Haglund, departing from his usual technical terminology.

"How terrible, how horrific it would be to be standing here and meet your death in this beautiful spot."

A refrigerated truck arrived to take the remains to a laboratory.

The bodies buried near Cerska, northwest of Srebrenica, are very likely just a fraction of the more than 7,000 Muslims believed to have been killed, then covered up in these hills after the Bosnian Serbs overran the Muslim enclave.

Mr. Haglund said the best way for his team to observe the anniversary of Srebrenica's fall was to keep working to ensure that such massacres are not repeated.

"Anniversaries are for the living," Mr. Haglund said. "They appreciate it. The dead no longer appreciate it. That's why we're here."

In the Srebrenica area, Serbs marked their victory — one of their most important of the several years of stalemated warfare — and reiterated their goal of keeping the territory "ethnically pure."

"There is no place for Turks in Republika Srpska," said General Milenko Zivanovic, the regional commander, who led the final assault on Srebrenica.

"Turks" is a derogatory term the Serbs use for Bosnian Muslims, whose ancestors adopted the Islamic faith of Turkish invaders.

The Muslims in Srebrenica held out against a siege for years. When the Serbs finally overran the enclave, they took vengeance for what they said had been the Muslim slaughter of hundreds of Serbs in neighboring villages.

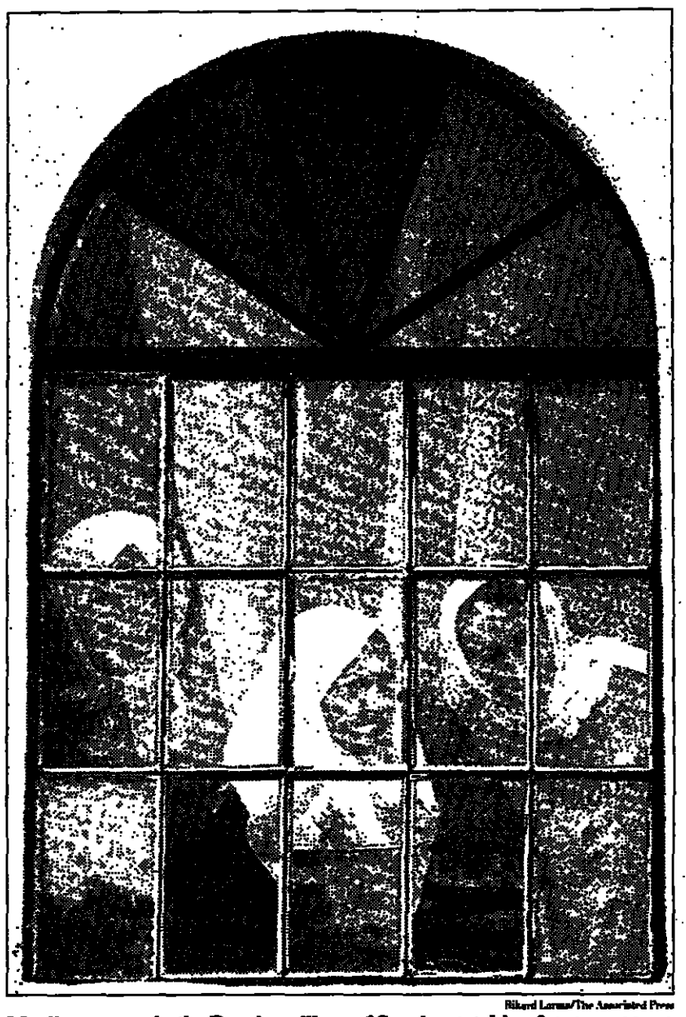
Women who survived Srebrenica met Thursday with an international delegation in government-held Tuzla. They pleaded, crying and screaming, for help to find out what happened to their friends and loved ones.

The women gathered to meet a delegation led by Queen Noor of Jordan, the U.S. ambassador to Austria, Swanee G. Hunt, and Emma Bonino, the European Union's humanitarian aid commission

Sida Mehanovic, 75, said that in her extended family of 35 women there was one male left: an 18-year-old grandson.

War crimes investigators expect that the exhumations started this week will uncover the biggest known massacre of the Bosnian war.

The evidence will be used to build a case against the suspects indicted by the war crimes tribunal, including the Bosnian Serbs' political leader, Radovan Karadzic, and the military commander, General Ratko Mladic.



Rikard Larma/The Associated Press

Muslim women in the Bosnian village of Svrake watching from a mosque window while men slain by Serbs early in the war were reburied.

Forgotten 'Homeland'

Jewish Republic in Siberia Fades Away

By James Brooke
New York Times Service

BIROBIDZHAN, Russia — The capital of the Jewish Autonomous Region does not have a synagogue.

Rusting Hebrew letters totter precariously above the railroad station, an impressive hall built by forced labor in the 1930s to welcome Jewish colonists from Argentina, Europe, the United States and elsewhere.

But with only 1.5 percent of the region's 220,000 people now identifying themselves as Jewish, it is clear that Stalin's vision of creating a Soviet Palestine sank long ago into this wilderness of swamps and forests bordering Manchuria.

"There is no synagogue, and there will be no synagogue," Lena Belyayeva, a Yiddish teacher, said gloomily as she walked down Sholem Aleichem Street in this small city, a provincial mix of tree-shaded streets, log cabins and state buildings in the early Communist style.

Intended to answer "the Jewish question" in 1928, events in this remote corner of Russia have, over the ensuing decades, mirrored larger trends convulsing Jews across the Soviet Union and its successor states — from ruthless "Russification" in the 1950s to headlong emigration in the 1990s.

Much the way thousands of Jews from elsewhere in Russia and abroad migrated here in the 1930s during the Depression, many of the remaining Jews are emigrating today from a Russian province that has seen its industrial and agricultural production fall in half since 1990. During the first five months of this year, 872 people, or about 20 percent of the remaining Jews, left for Israel.

"Apartment prices have fallen by about one-third," said David Weisserman, a local historian. "The orchestra, the Writers Club, the Readers Club don't exist anymore because so many people have left. If Israel would say that Russians could come, half of Birobidzhan would go."

With the Jewish population dwindling fast, the local authorities in May closed the local office of the Jewish Agency, a privately financed group that promotes emigration to Israel.

The closing may be part of a wider crackdown on this agency, which maintains 19 offices across Russia. With emigration from Russia to Israel running at about 75,000 people a year, the Justice Ministry in April ordered agency offices to close until the group re-registers in Moscow under a new law for non-governmental organizations.

Most Jewish Agency offices in Russia are still operating, awaiting a formal decision on registration by the Justice Ministry. Local officials have only closed agency offices here and in Pyatigorsk, a southern Russian city that has received Jews fleeing Chechnya.

"Originally, the agency was helping culture, supporting a summer camp for kids," said Alexandra Gavrilova, publisher of Birobidzhaner Shtern, a government-owned, Yiddish-language newspaper. "But when it changed its focus to taking people to Israel, that became a problem."

Jewish emigration is often resented in Russia. Yet, in recent years, city officials here have done little to encourage Jews to stay. Two years ago, a project to build a synagogue stalled when the city gave the desired plot of land to a bank. Birobidzhan's original synagogue burned in a suspicious fire in 1959.

But now, officials have a reason to want Jews to stay.

"They are afraid that if all the Jews go, there will be no need for a Jewish Autonomous Region," said Miss Belyayeva, one of two Yiddish teachers. "Without that status, they will lose special subsidies from the federal budget."

In 1931, when Japanese troops invaded Manchuria, the neighboring Jewish Autonomous Region had only 40,000 people in an area larger than Switzerland.

Stalin's proclamation of the modern world's first Jewish political entity provoked chaotic immigration. Working in open competition with the Zionist movement that was encouraging migration to Palestine, Soviet officials toured Jewish communities in America, Argentina and Germany, as well as parts of the Soviet Union, often ending their appeals with a toast: "Next year in Birobidzhan!"

But census figures show that at least two-thirds of foreign migrants gave up and left after two years.

The colony, numbering about 20,000 Jews in the 1930s, gradually achieved a cultural life of its own, with Yiddish theaters and writers' clubs. But all this was cut short when Stalin's purges reached here in 1936.

BOSNIA: *UN Tribunal Orders the Arrest of Karadzic and Mladic for War Crimes*

Continued from Page 1

last year against Mr. Karadzic and General Mladic in light of evidence produced before the court by its own investigators and testimony from witnesses to the Srebrenica massacre, a Muslim survivor and an executioner.

In issuing international arrest warrants against Mr. Karadzic and Mr. Mladic on charges of war crimes, genocide and crimes against humanity, the tribunal effectively sought to raise the ante.

The two men have ignored the tribunal's arrest warrants, issued last year. So, too, has the Yugoslav Federation of Montenegro and Serbia despite its "undertaking to ensure that" the Bosnian Serbs "would cooperate fully with the international tribunal" as part of the Dayton accords reached in November that ended 43 months of fighting in Bosnia, the decision noted.

A court press communiqué said that "all states will henceforth be legally obliged to arrest the accused if they come within their jurisdiction."

Antonio Cassese, the tribunal's president immediately informed the UN Security Council formally of the lack of cooperation by Belgrade and the Bosnian Serbs. Theoretically, the Security Council could reimpose economic sanctions against both Yugoslavia and the Bosnian Serbs as punishment for such defiance.

So far the 60,000-member NATO Implementation Force in Bosnia has shied away from arresting Mr. Karadzic and Mr. Mladic. Allied caution is apparently dictated by fear the Bosnian Serbs would inflict retaliation on allied soldiers.

On Wednesday, the contact group of American, British, French, German, Italian and Russian diplomats meeting in London reasserted that Mr. Karadzic should stand trial in The Hague. But the group said responsibility for carrying out such a decision rested with the warring factions in Bosnia.

The tribunal's decision concluded the so-called Rule 61 hearing designed to bring pressure on the international community to arrest the two men and to demonstrate to the war's victims that their suffering was not being forgotten. The hearing served to fill out charges made in two indictments last year.

In recommending broadening the scope of the genocide charges, the tribunal said Mr. Karadzic and General Mladic had demonstrated genocidal intent not just in detaining Bosnian Croats and Muslims in camps, but in "ethnic cleansing, deportation, shelling and the siege of cities," especially Bosnia's capital, Sarajevo.

"The number of victims selected because of their membership of a group alone leads one to the conclusion that an intent to destroy the group, as least in part, was present," the court said.

"The evidence and testimony tendered all concur in demonstrating that Karadzic and Mladic were not only informed of the crimes allegedly committed under their authority," it added, "but also, and in particular, that they exercised their power in order to plan, instigate, order or otherwise aid and abet in the planning, preparation or execution of said crimes."

ULSTER: *Violence Over March Spreads*

Continued from Page 1

the victory of the Protestant King William of Orange over the Catholic King James II in England's religious wars in 1690 with thousands of noisy, drum-beating parades throughout Northern Ireland. While the Orangemen, as they are called, consider the marches and accompanying bonfires a celebration of heritage, many members of the minority Catholic community regard them as provocative acts of "triumphalism" by the majority community here.

This year's marches come amid growing resentment among "loyalists" in the Orange Order about what they consider "concessions" to "nationalists" in Northern Ireland in the face of the Irish Republican Army's bombing campaign on the British mainland.

When police decided to reroute the Portadown District's Orange march away from the Catholic neighborhood, to prevent potential rioting, angry unionist supporters went on a province-wide rampage, blocking roads, raiding the homes of Catholic families in Protestant neighborhoods, setting blazes and effectively shutting down Northern Ireland.

Hulks of overturned firebombed trucks were still smoking Thursday along highways between Belfast and Portadown.

At first, the authorities remained adamant. They massed a thousand police in riot gear, another thousand troops in full combat gear, and barbed wire along a 600-yard (550-meter) line to keep the Orangemen from proceeding.

The Orangemen, in turn, called in reinforcements, and a gathering of hundreds became an encampment of thousands, transforming a tranquil green landscape in the rural suburb of Dumcree into a potential war zone. Nobody was backing down.

Instead, the Orange Order promised that by Friday they would have at least 100,000 men, women and children ready to march, a claim authorities did not doubt.

About 12:30 Thursday afternoon, a great cheer rose from the Orange ranks as their public address system announced that the police were clearing the Catholic street and that the march could proceed.

"There were tens of thousands of Orangemen," said Sir Hugh Anneslie, chief of the Royal Ulster Constabulary as he explained the decision later, "and only thousands of police and soldiers. We could have had loss of life."

■ Irish Leader Voices Concern

Prime Minister John Bruton of Ireland voiced grave concern over a British government decision to allow the Protestant march, Reuters reported from Paris.

Mr. Bruton said at a news conference in Paris that he would be telephoning Prime Minister John Major to "seek an explanation for this decision, which I cannot comprehend" and which "I think was very mistaken."

"We have already conveyed to the British government at the highest level our concern at this development," he said, adding that the clashes in Portadown would not deflect Ireland from its efforts to find a basis for an acceptable political solution in Northern Ireland.

MEXICO: *Political Class at the Trough*

Continued from Page 1

party. In addition, authorities are investigating how Mr. Salinas, who made $192,000 a year as director of a government agency in his brother's administration, amassed more than $124 million in bank accounts around the world.

Investigators are looking into numerous business deals between Raúl Salinas and individuals who won bids on companies being privatized by his brother, as well as his own investments in many of those companies. Although it has never been proved, there have been numerous allegations over the years that Raúl Salinas received kickbacks for influencing the awards of government contracts.

In one case under scrutiny, the owner of the nation's second-largest television network, Ricardo Salinas Pliego, who is no relation to the Salinas brothers, said that shortly after he bid $642 million to buy the government-owned TV network, he received $30 million from Raúl Salinas to "invest." He said Mr. Salinas's money, which was channeled through the Cayman Islands, was legal.

"He was the brother of the Mexican president who asked me to invest his money," Mr. Salinas Pliego said after his six-hour closed session with investigators. "I think any other businessman would have done the same thing. Also, there wasn't anything wrong in doing it."

Law enforcement officials also grilled a prominent anchorman from the competing Televisa network this week, Abraham Zabludovsky, who is not in the same financial league with others being questioned, said he and a "group of friends" that included Raúl Salinas bought into a bus company after its 1989 privatization. Mr. Zabludovsky said the $7 million investment was "perfectly documented."

Investigators also are questioning Adrian Sada González, head of Mexico's third-largest financial group — purchased in a government privatization in 1992. Mr. Sada has said Raúl Salinas deposited $15 million in Mr. Sada's Swiss bank account for a "business project." Earlier in the investigation, Carlos Peralta, who purchased Mexico's mobile telephone system, said he deposited $50 million in Raúl Salinas's Swiss bank accounts as an "investment" in a venture capital fund he said Mr. Salinas had set up.

When Mexico's privatization program began in 1982 under President Miguel de la Madrid, there were 1,155 state-owned companies. In 1988, when Carlos Salinas became president, only 412 remained, but they included the most lucrative and prized businesses.

At the end of his term in 1994, Mr. Salinas had privatized 251 enterprises with assets totaling more than $23 billion, and for those few Mexicans with enough money to get into the game, the privatization program was a bonanza. Some businessmen saw their net worth balloon overnight as they bought government companies and then sold shares at considerable markups to foreign investors.

Just how lucrative Mr. Salinas's privatization program was is reflected by the increase in Mexican billionaires tallied in Forbes magazine's annual list of the world's wealthiest people. In 1987, before Mr. Salinas took office, Mexico had one billionaire. In 1994, when his term ended, there were 24, and almost all had participated in the industrial privatizations.

CUBA: *Allies Press U.S. to Back Down*

Continued from Page 1

England, were the two British nationals involved.

In London, a spokesman for the Foreign Office said that "Sir Patrick Sheehy and Rupert Pennant-Rea are well known British businessmen. Their business dealings with Cuba are entirely legitimate in the eyes of the British, Canadian and Cuban governments."

The British spokesman added that "the idea that excluding them from the U.S. will put pressure on the Cuban regime makes no sense whatsoever. It is simply a wrong-headed restriction on their freedom to travel and do business. We are taking this up vigorously with the U.S. administration and pressing them to rescind their decision."

A senior European official who asked not to be identified said that if Mr. Clinton did not waive a provision of the law that would allow U.S. lawsuits against companies doing business in Cuba, European foreign ministers would press ahead with "concrete" counter-sanctions.

These include following up a complaint to the World Trade Organization made by the European Union in May and pushing the matter to a WTO disputes panel, introducing European anti-boycott legislation against American companies, and reintroducing visa requirements for U.S. citizens visiting European countries.

Although some U.S. officials who asked not to be named have admitted that Mr. Clinton's decision would be conditioned by domestic presidential electoral politics, the White House spokesman, Michael McCurry, appeared to be digging in his heels on Thursday.

"This represents our interpretation of the law," Mr. McCurry said, defending the U.S. ban on foreign business executives, "and it is our response to the tragic violation of international law by the government of Cuba." He added that "those who assist and nurture their own commercial activities with Cuba — in cases where properties that rightfully belong to U.S. citizens have been appropriated — will have to be penalized."

Peter Guilford, spokesman for Sir Leon Brittan, the European Union trade commissioner, summed up the EU message Thursday night: "We urge the president to grant a waiver. The arguments in favor are strong. The EU has even gone slow on its policy of closer ties to Cuba. If there is no waiver next week, member states will act to defend themselves, alone, together, or both."

At the Word Trade Organization in Geneva, Renato Ruggiero, director-general, said on Thursday he hoped "a bilateral solution" would be reached between the European Union and the United States before the matter went through a formal WTO dispute panel.

"In the past such an issue would have been solved on the basis of power politics. Now there is a procedure and it can be settled amicably. I would wish of course that both parties find a bilateral solution before it gets to the WTO," he said in a telephone interview.

■ Call for Boycott in Canada

The Canada-U.S. dispute over Cuba policy is escalating into outright confrontation, including a call for Canadian tourists to boycott Florida and a Toronto company's vow to keep doing business in Cuba even if its executives are banned from the United States, The Associated Press reported from Toronto.

The Canadian government, though not endorsing the boycott call, said Washington should view the initiative launched by a coalition of church, labor and relief groups as a sign of how Canadians feel.

"It's the kind of signal that I hope the United States authorities take carefully — that there are a lot of people who will resort to this kind of voluntary unilateral citizen-style action," said Foreign Minister Lloyd Axworthy.

Leisure

INTERNATIONAL HERALD TRIBUNE,
FRIDAY, JULY 12, 1996

Amid the Casinos, The Real City of Reno

By Michael Ybarra

RENO, Nevada — The price was hard to beat, even in Reno: $39.95 a night for a moderate-size room with a view of the Sierra Nevada — and $25 cash back per night at check-in.

The room was in the Riverboat, a downtown hotel with a small casino, and when I registered for five nights the clerk gave me a voucher to take to the cashier. "How would you like it, honey?" the woman behind the cage asked when I handed her the slip for $125. "Silver dollars or quarters?" I stifled the urge to ask for nickels and a wheelbarrow and instead walked away with mostly $20 bills.

It has been decades since Reno was the country's premier gambling destination, but gambling is still the reason most people come here. Not me. I find it easy enough to waste money without feeding it into the maw of a slot machine or seeing it snatched off a felt table. I go to Reno for its other charms. Unlike Las Vegas, Reno was a real city before it became a tourist haunt, and one can easily stroll from the casino zone into the town's colorful past.

Set in a broad valley watered by Lake Tahoe via the Truckee River and surrounded by mountains, Reno was one of the few naturally hospitable areas in Nevada.

The Donner Party dallied too long here with disastrous results when they tried to cross the Sierra Nevada in the winter of 1846-47. After gold was discovered in California, the Humboldt Trail that cut through the region became the most popular path west.

Silver Strike

Then in 1859 the fabled Comstock Lode silver deposit was struck in nearby Virginia City; soon a toll bridge was built over the Truckee, and Reno was born. In 1868 the Central Pacific Railroad, pushing to complete its part of the transcontinental line, laid track parallel to the river. More recently Interstate 80 followed a similar route.

After the mines gave out, easy divorce was the big lure until gambling was legalized in 1931. In 1947 the City Council decided to keep casinos to a strictly limited area to prevent tourism from engulfing the city, as was happening in young Las Vegas, but the council relented in the early 1970s and high-rise casino hotels have been popping up ever since.

Like most far-flung cities in Nevada, Reno's central axis is the highway, in this case Highway 395, which is called Virginia Street where it runs through the middle of the city.

However, where the Vegas strip seems to run forever and requires a car to explore, Reno still lives up to its civic logo lit up in pink neon over Virginia Street: The Biggest Little City in the World. The Truckee River divides north from south, while the train tracks a few blocks above mark the middle of the casino area and I-80 a few blocks higher spells the end of downtown.

At that point the University of Nevada rises on a bluff above the city. After the din of the casinos, the 200-acre (80-hectare) campus is a pleasant place to pass a little time, with good views of the surrounding mountains: Saddle-shaped Mount Rose sitting high in the Sierra Nevada to the south; Peavine Mountain to the north, dry and humpy most of the time but lovely when snow blankets it during winter; and off to the east the worn foothills of the Virginia Mountains stretch low and long.

THE university opened in Reno in 1886 and was housed entirely in Morrill Hall, a three-story red brick building with a sky-blue mansard roof and a bell tower. It now holds the alumni office and the University of Nevada Press, an excellent source of books on local and regional history, culture and fiction. Many are sold in the campus bookstore, just north of the lake in the student union building.

I wandered around admiring the eclectic buildings — ivy-covered Georgian brick and columned structures share the well-kept grounds with bland office buildings from the '60s and '70s.

The building namesakes span the state's history — from Comstock Lode magnate John Mackay to former Governor and United States Senator Paul Laxalt, the son of a Basque sheepherder. In the Mackay School of Mines, off a grassy campus quad lined by 90-year-old elm trees, is the W.M. Keck Minerals Museum, with samples of gold, silver, copper, lead, uranium and much more of the geological treasure dug up around the state. North of the quad are the Fleischmann Planetarium, with a domed theater that offers vertiginous film excursions into places like the Grand Canyon, and the Nevada Historical Society, which offers a quick and easy grounding in local history.

The society's small museum traces the arch of Nevada's development from prehistoric Indian settlement to early explorers, various mining booms and busts, to the current commercialization of prostitution and gambling. Old wagons, mining gear and gambling equipment are on display, and the museum bookstore offers a good selection of material on local history and culture as well as guides to ghost towns in the vicinity.

In the society's research room, a trove of books, pictures and documents for scholars of the West, I picked up free maps of noteworthy buildings downtown and set off on a self-guided tour.

It's a 20-minute stroll from the campus to the Virginia Street Bridge, built in 1905 near the original log structure that first connected the banks of the Truckee River. These days there's a slightly forlorn feeling here, an air of faded elegance, of people passing but not stopping. Still, the rushing river, the tree-lined shore and the dowager buildings give this part of town, just a few blocks past the edge of the casino area, a sense of calm, a respite from clamor.

On the southeast corner of Virginia and Mill stands a gorgeous Art Deco post office designed by Frederic J. DeLongchamps, a noted local architect whose credits include the nearby courthouse and Riverside Hotel. Built in 1934, the Depression-era building's facade is terra cotta incised with geometric patterns; the interior is covered in dark rich marble and cast aluminum ornamentation.

Across the street is the Riverside Hotel, a 1927 brick building almost next door to the 1909 Washoe County Courthouse and hence home to Reno's divorce colony for years. The doubtful but still interesting story is that newly "cured" women would kiss the courthouse columns and then pitch their wedding rings into the Truckee as they crossed the bridge to catch a train out of town.

The hotel was owned by George Wingfield, a cow puncher turned mining, banking and real estate mogul who was one of the most powerful figures in Nevada for decades. The corner bar at the hotel was also the political and business hub of the state.

CLARK AND MARILYN Today the Riverside is boarded up, as it has been since its closing in 1987, although a Las Vegas casino owner recently announced that he wanted to buy and renovate the building. Diagonally across the bridge is Reno's other elegant hotel, the Mapes, a 12-story Art Deco structure that anchors the corner of First and Virgina Streets, towering over the Truckee. Sammy Davis Jr. made his local debut at the Mapes, which opened in 1947 and closed in 1982, and Clark Gable and Marilyn Monroe filmed "The Misfits" there.

Just a few years ago the city built a walkway with benches, a bandstand and a waterfall along the south side of the Truckee down to Wingfield Park, a lovely island in the middle of the stream where free concerts are held in the summer. The Truckee River Walk covers several acres on both banks of the Truckee, a profusion of trees, grass and migrating birds.

After walking up the small hill on Arlington Street, which bisects the island, I took the first left onto Court Street, where a number of stately homes from the turn of the century perch on what was once one of the city's most well-heeled avenues. Number 219 is Wingfield's former house, an expansive 1907 manse with Doric columns and a wraparound porch that overlooks a large yard sloping down to the river.

Turning left at the courthouse, I followed Virginia Street back across the river and kept going for a couple of blocks until I reached Second Street. On the northeast corner stands a blinding white 1915 Beaux-Arts building with fluted Corinthian columns. Today the building houses a Planet Hollywood, which added green palm fronds to the capitals of the columns and hung pink awnings between them — flourishes that look better than they sound.

In fewer than six blocks I had traversed the political and business world of the city-state that was Reno until its eclipse by Las Vegas in the early 1960s.

Michael J. Ybarra, who lives in San Francisco, wrote this for The New York Times.

R. Mattes/Explorer; insets, Tom Bean for The New York Times

Sedona is surrounded by rock splendor; insets, Spanish-style village of shops and restaurants (left) and Sinagua plaza.

Some New Age Vibes in the Wild West

By Timothy Egan
New York Times Service

SEDONA, Arizona — You come to Sedona, two hours' drive north of Phoenix's sprawl, to escape the blast furnace of the Sonoran Desert. You come to see a gorge, a river-carved slice in the ancient sedimentary rock, second only to the other big canyon, the one with the superlative Grand attached to its name. You come for the red rock wraparound scenery, the sandstone buttes and mesas with self-explanatory names like Coffee Pot and Bell Rock.

But inevitably, what you go away with is a sense of a place that exudes its own quirky spirituality. Sedona is a shrine, the locals will tell you, of multiple-choice ethereal dimensions — from the traditional to the truly wacky.

Even the Chamber of Commerce, in addition to singing the usual praises of Sedona's sunshine and canyon adventures, now makes mention of the "psychic vortex attractions," as they call them. Little wonder: There is a huge industry built around the notion that Sedona is the ideal place on earth to experience positive energy from a vortex, or power spot.

It is impossible to measure such a thing, believers say. Well, then, it must all be so much New Age nonsense, the skeptics reply. But that has not kept the crowds from clambering up to one of the four main vortexes said to be in the Sedona area.

Been There, Done That

"Feel the power, dude," said a young man in lotus position, sitting on the edge of the cliff on Table Top Mesa just above town. I took my turn, after mumbling a protest that I'd been there, done that. The view was stunning — across to a valley of piñon and aspen, of yuccas with towering flower spikes, of cake-layer rock that has been chapped by wind and water for 300 million years. But no psychic voltage. Sorry, dude.

People also hike up from road-end parking lots to walk through the Chapel of the Holy Cross, perched in red rock splendor south of the main section of Sedona. Looking as if it sprouted from the rocks, the building creates a perfect union of geology and architecture.

COWBOY CUISINE In town, a New West enclave of art galleries, high-concept cowboy cuisine and spanking new public buildings with a high artistic sheen, the theme continues. One woman has set up shop as a "multidimensional glitch remover," who promises to "assist you in clearing out the glitches in your personality."

But you can politely skip the chance to attend a "holotropic breath" workshop, or a session with an advanced certified rolfer, and still find yourself gazing skyward in Sedona, night or day. There is just so much that nature has endowed the place with — such a surfeit of distracting beauty that driving can be a hazard.

To begin with, there is the elevation — about 4,500 feet (1,340 meters) above sea level, on the southern fringe of the Colorado Plateau. That may not sound like much by the standards of the American West, where mile-high towns are cheap. But in Arizona it means that Phoenix, several thousand feet down in the aptly named Valley of the Sun, will broil in midsummer heat with highs averaging 105 degrees Fahrenheit (40 degrees Centigrade), while Sedona is 10 to 15 degrees cooler.

Sedona is naturally air-conditioned by breezes that blow down Oak Creek Canyon from the San Francisco Peaks above Flagstaff. Many of the trophy homes that have become ubiquitous in the red soil around Sedona are summer escapes for Phoenix desert dwellers.

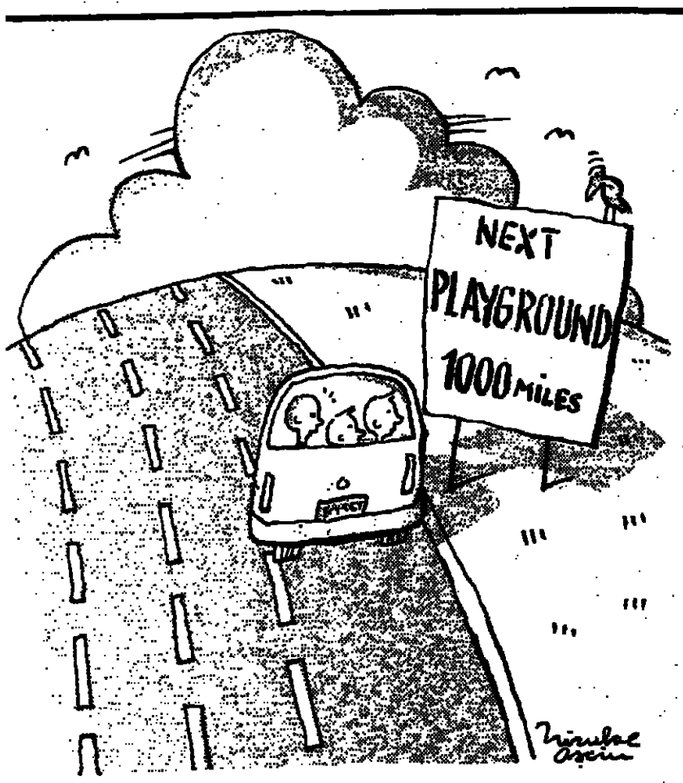
Winters are cooler, with occasional snow, and spring brings the most un-Arizona of flowers — tulips, blossoming in gardens all over town. Spring may be the finest time to visit, when fruit orchards blaze with color, desert wildflowers poke through rocks and daytime temperatures reach the 70s and 80s. In July, the average high is 95, the low 65.

Sedona is surrounded by sunset-colored flanks that rise 2,000 feet or more above the floor of the town. Every spire, every butte, every canyon wall has a slightly different tinge of color or character to it. Truly, Sedona could be a national park, rivaling Zion, Bryce or even Grand Canyon, were it not for the fact that real estate brokers have already staked a considerable claim on the area.

BUT, unlike other scenery-rich Western towns undergoing sudden growth, Sedona can only sprawl so far. The town is surrounded by the Coconino National Forest, and the Forest Service has done a fairly good job of protecting the nearly two million acres of wild country. The population of Sedona and the neighboring village of Oak Creek, about 15,000 people, would be perhaps 10 times greater were it not for the fact most of the land is owned by the Forest Service. The result is that semi-wilderness can be found next door to outlet malls.

Still, Sedona is going through the pains of popularity, claiming 3 million visitors last year. For much of the year, stop lights are backed up and restaurant reservations are a must. Spring and fall are the peak times, and there are many day trippers on their way through in summer.

In Sedona, sunset-watching is a participant sport, with people climbing up rock walls and buttes for positions at curtain call, or driving up Airport Road to a plateau that offers a wonderful view to the west. The sky rarely fails to perform, even without vortex stimulation.



Nicolas Asch/IHT

KIDS

On the Road: Yes, There Is a Sanity Clause

By Susan Keselenko Coll

WASHINGTON — It was on the home stretch, just after another meal of soggy fries and greasy *chicken things, that my six-year-old* finally lost his composure.

"Shall we listen to another book on tape?" my husband had inquired, hoping to pre-empt another round of backseat squabbles and distract from the implausibly frequent requests for bladder relief. "How about 'Huckleberry Finn?'" he asked.

We only had about four hours left to go, and had so far absorbed, with uneven success, a BBC radio production of "The Hobbit," as well as "Alice in Wonderland," "Sounder," and "The Importance of Being Earnest."

Now that we were back in the United States after six years of living abroad, it was time to quit fantasizing about skiing the Swiss Alps or bathing on the beaches of Thailand, and, like other winter-weary Americans, pack up the station wagon and head down to Florida. Granted, we had planned our journey so that we could be in a hotel room in time to catch the Simpsons on Sunday nights, but that didn't mean we couldn't try to cram in a bit of culture along the way.

Except that after five days in the backseat, squashed between his two sisters, my son had had his fill of literature. "Oh *just shoot it*," he cried, referring to the box from the library containing the batch of innocent audio cassettes.

So we listened, instead, to the Presidents of the United States of America, which is not a 42-volume historical treatise, but rather a new rock group with lyrics that are, objectively speaking, totally inappropriate for children, and probably for most adults.

But somewhere along I-95, after the 14th meal at Burger King, conscientious parenting gives way to the desire for a few minutes of peace. Surely the kids don't understand those subliminal suggestions about fruit, anyway, and they enjoy singing along with the catchy lyrics ("You seem pretty cool for a naked chick in a booth").

Practical Measures

Drastic measures such as exceeding the recommended dosage of Dramamine or listening to music that will add new and creative obscenities to the children's vocabulary are not always necessary. Even on family vacations where the better part of the trip is spent in the car, there are a few practical measures that one can take to preserve sanity:

- Bring activity books geared for automobile travel. We packed a deck of cards called "52 Fun Things To Do In A Car." One can choose from games that include splitting into teams and counting cows, making breath animals on the windows, and waving to people in other cars, keeping track of how many wave or honk. We also managed to kill a few hours with "Ride and Seek," a checklist of things to look for along the highway, like a car with a dent in it, or a driver wearing a hat. Our search for an ambulance lasted the better part of an afternoon, which we all considered fortuitous.
- Schlepp along a very heavy television set that plugs into the cigarette lighter. For whatever reason, we found that no matter where we were, the local public television station was consistently the only channel that came in clearly. This was a mixed blessing. Even the kids were ready to strangle Barney, the syrupy purple dinosaur, and we learned more than we needed to know about the rain forest and the depletion thereof.
- Set goals. "If everyone behaves and we do not have to stop for the bathroom 10 times," for example, "we will stop for lunch in two hours." If that fails, try bribes: When we were on the road in Italy last year, we offered the kids 1,000 lire each in exchange for one hour of silence. Clearly this approach is effective only until they become savvy enough to calculate exchange rates.
- Bring treats. Whether or not to stuff kids full of food in the car requires some forethought. A nice sticky Rice Krispie Treat can go a long way toward pacifying a whining child. On the other hand, one does not want to contemplate regurgitated Rice Krispie Treats on the car upholstery.

SINGING MERRILY Remember, in moments of despair, that the grass is not always greener. My friend who flew to Florida reports that she was thrown up on not once but twice by airsick children. While she was tromping through an airport lounge wrapped in a blanket, we were speeding down the road singing merrily and in unison, "Put some clothes on and call me." The kids will get a chance to read "Huckleberry Finn" in school someday, no doubt.

Susan Keselenko Coll is a Washington-based journalist.

LEISURE

MOVIE GUIDE

Lone Star

Directed by John Sayles. U.S.

The great, stirring epic "Lone Star" stands as a peak in the career of John Sayles. Long admired for the independence and quiet intelligence of his work, Sayles this time delivers a vibrant history lesson about a Texas border town. Gratifyingly complex and beautifully told, this tale explores a huge array of cultural, racial, economic and familial tensions. In the process, it also sustains strong characters, deep emotions and clear dramatic force. The place is Frontera, Texas, a sleepy little town on the Rio Grande. And the film's first sight is of two army officers cataloguing fauna in the nearby desert. ("You live in a place, you should know something about it," one of them says.) In the process, they unearth what are probably the remains of Charley Wade (Kris Kristofferson), who in 1957 was the town's bullying sheriff. In the present day, the crime will be investigated by Sheriff Sam Deeds (Chris Cooper), whose father, Buddy (Matthew McConaughey), was Charley Wade's deputy and is now the prime suspect in Charley's murder. Drawn into this exploration are whole families of other characters, and their pasts are tied to Buddy Deeds in ways that are made clear by the film's stunning denouement. In each of these stories, parents and children display stubborn, warring ways of looking at the past. So Delmore (Joe Morton), the rigid colonel newly put in charge of the local army base, is estranged from Otis (Ron Canada), who runs the only local bar where black soldiers feel welcome. Del's attitude is not softened by the fact that Otis happens to be his father, nor is he able to behave less rigidly with Chet (Eddie Robinson), his own son. As the film moves smoothly among dozens of characters, in a style Sayles also used somewhat more stiffly in "City of Hope," the viewer also meets Pilar (Elizabeth Pena), Chet's history teacher. It happens that Pilar, as Sayles gradually lets the audience know, is Sam Deeds's first love, and that as teenagers they were kept apart by both Buddy Deeds and Mercedes Cruz (Miriam Colon), Pilar's stern, prosperous mother. In Sam and Pilar, "Lone Star" finds not only a romance, but also an embodiment for its central ideas: about crossing borders, challenging the past, escaping the burden of history. These themes echo everywhere in a film that eloquently weaves together the multifaceted life of Frontera and grasps the importance of race or privilege or politics in every transaction. *(Janet Maslin, NYT)*

Alan Pappe

Kris Kristofferson as "Lone Star's" Charley Wade.

Phenomenon

Directed by Jon Turteltaub. U.S.

"Phenomenon" has all the ingredients of a pleasingly sentimental success: a neighborly setting in neo-Capra country, a director (Jon Turteltaub) whose last film was beguiling ("While You Were Sleeping"), and John Travolta, himself no stranger to charm. But "Phenomenon" proves so different from what it first looks like that during the grimness of the film's final half hour, jaws may drop. A whopping wrong turn throws this lightweight, benign-looking movie terminally off course. Travolta plays George Malley, a name that by no coincidence summons thoughts of George Bailey in "It's a Wonderful Life." George is a friendly but none too bright auto mechanic, the nicest fellow in Harmon, a very nice Northern California town. One night, after his well-attended birthday party, George is apparently struck by a bolt of lightning. This event takes him into a whole new realm of intelligence and carries the film itself into Spielberg territory, since there's something distinctly extraterrestrial to the new magic in George. He has electromagnetic powers. He learns Portuguese in 20 minutes. He suddenly knows the names of wildflowers and becomes expert at chess. In keeping with the film's doggedly sunny spirit, every new talent George develops becomes a gift for doing something generous or kind. George's new braininess soon attracts the interest of big-city scientists, who are amazed by his talents. And Travolta plays these scenes with such attractive selflessness that the film still seems to be on track. But then government officials become alerted to George's abilities, and the film turns paranoid, after which it does something much worse. Suffice it to say that the sunshine turns literally to rain at this juncture. And that there is a big difference between a Travolta who's suddenly smart and one who's suddenly wise. *(Janet Maslin, NYT)*

ARTS GUIDE

AUSTRIA

VIENNA
KunsthausWien, tel: (431) 712-0495, open daily. Continuing/To Sept. 1: "Raoul Dufy, 1877-1953." 120 paintings, fabric designs, ceramics and woodcuts by the French painter.

BELGIUM

BRUSSELS
Palais des Beaux-Arts, tel: (2) 507-8469, closed Mondays. To Sept. 8: "Art as Resistance: German Painters Between the Wars." From an American collection, a selection of 200 German paintings and works on paper created between 1912 and 1940, including works by the artists who were officially branded degenerate in Nazi Germany, such as Beckmann, Grosz, Nussbaum and Dix.

BRITAIN

LONDON
Design Museum, tel: (171) 403-6933, open daily. To Aug. 11: "Treasures of Fabergé." 40 perfume flasks designed by Fabergé and crafted in the ateliers of Erik Kollin, Michael Perchin and Henrik Wigström, between 1870 and 1917, using materials such as crystal, gold, silver, semi-precious stones, enamel and diamond.
National Gallery, tel: (171) 839-3321, open daily. Continuing/To Aug. 26: "Degas: Beyond Impressionism." Also, to Aug. 25: "Degas as a Collector."
Royal Academy of Arts, tel: (171) 434-56-15, open daily. To Sept. 22: "Roger de Grey, Painter." A selection of drawings and 70 paintings by Sir Roger de Grey (1918-1995). The English artist's chief subject was landscape although he was also involved with abstraction.

DENMARK

COPENHAGEN
Nationalmuseet, tel: 33-13-44-11, closed Mondays. To Sept. 29: "Sultan, Shah and Great Mogul." Documents religion, history, culture and science in the Islamic world, from Mohammed's days to date, and its spread from the Arabian peninsula to Europe and Asia. Miniatures, ceramics, textiles, books, musical and scientific instruments are displayed.

Maillol confronting "L'Harmonie" in his studio in 1943: His works are on show in L'Isle-sur-la-Sorgue, France.

FRANCE

L'ISLE-SUR-LA-SORGUE
Campredon, tel: 90-38-17-41, closed Mondays. To Oct. 27: "Aristide Maillol, 1861-1944." 15 drawings and 37 sculptures by the French sculptor, who is best known for his female nudes.

MONTPELLIER
Festival de Radio France, tel: (33) 67-02-02-01, fax: 67-61-66-82. July 13 to Aug. 4: French premiere of Franz Schmidt's "The Book of Seven Seals," composed in 1935-1937 (July 13); Beethoven's three last sonatas, played by Alfred Brendel (July 16); Philip Glass's "Concerto for Four Saxophones and Orchestra" and Mahler's "Fifth" (July 17) and Cilea's "L'Arlésienne," directed by Enrique Diemecke (July 20 and 22).

ORANGE
Chorégies, tel: (33)-90-34-24-24, fax: 90-11-00-85. In the Roman theater, Mozart's "Requiem," conducted by Jeffrey Tate (July 12); Carl Orff's "Carmina Burana," under Michel Plasson, with Natalie Dessaye (July 16); Verdi's "La Forza del Destino," under Michel Plasson (July 31 and Aug. 3).

PARIS
Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuesdays. Continuing/ To Oct. : "Francis Bacon." More than 80 paintings and works on paper, created between the prewar period and 1990.
Musée d'Art Moderne de la Ville de Paris, tel: (1) 53-67-40-00, closed Mondays. To Oct. 6: "Calder." More than 140 works by the American sculptor, who broke new ground with his "mobiles."
Petit Palais, tel: (1) 42-65-12-73, closed Mondays. Continuing/To July 21: Albrecht Dürer: Oeuvre Gravé." Engravings.

GERMANY

BERLIN
Neue Nationalgalerie, tel: (30) 266-2647, closed Mondays and May 28. Continuing/To Sept. 29: "Georg Baselitz." Three decades of works by the Neo-Expressionist painter (born in 1938).

COLOGNE
Museum für Ostasiatische Kunst, tel: (221) 940-5180. Continuing/To July 21: "Aus der Welt des Samurai." Shields, weapons and the reproduction of a suit of armor used in Kabuki plays.

ITALY

FLORENCE
Palazzo Strozzi, tel: (55) 239-8563. To Jan. 6: "Gli Ingegnieri del Rinascimento." A discovery of Italian Renaissance engineers and architects and of their inventions: Models and drawings illustrate the achievements of Brunelleschi, the Sienese engineers and Leonardo.

VENICE
Palazzo Querini Dubois, San Polo, tel: (41) 521-8711, closed Mondays. To Sept. 8: Photographs on the Set: 100 Years Off Screen in Italian Cinema." A photographic history of Italian cinema from the silent era to date, through a behind-the-scene view of directors, actors and crews.

NETHERLANDS

AMSTERDAM
Rijksmuseum, tel: (20) 673-2121, open daily. Continuing/To Aug. 4: "Disegni: Three Centuries of Italian Drawings in the Rijksmuseum." Besides works by major artists of the Renaissance such as Raphael, Michelangelo and Titian, the exhibition includes drawings by Baroque and Rococo masters.
Van Gogh Museum, tel: (20) 570-5200, open daily. Continuing/To Sept. 15: "Vincent van Gogh Drawings: The Early Years 1880-1883." The exhibition documents how, encouraged by his brother Theo, van Gogh developed from a hesitant beginner to a talented draughtsman.

SPAIN

MADRID
Museo Nacional Centro de Arte Reina Sofia, tel: (1) 14-67-50-62, closed Tuesdays. To Sept. 16: "Paul Strand." 150 photographs taken by Strand between 1950 and 1975 during his trips through Europe and North Africa depict people, architecture, landscapes and daily objects.

SWITZERLAND

BASLE
Kunstmuseum Basel, tel: (61) 271-0445, closed Mondays. Continuing/To Aug. 11: "Canto d'Amore: Classicists Modernism in Music and the Visual Arts, 1914-1935." Documents the close association between music and the visual arts.Paintings and sculptures by Picasso, Bonnard and Maillol are presented next to scores by Satie, Milhaud and de Falla.

GENEVA
Musée d'Art et d'Histoire, tel: (22) 418-2770, closed Mondays. To Sept. 8: "Only in Geneva." Prints of all kinds spanning the 16th to the 20th century. Includes works by Russian avant-garde artists, Fautrier, Baselitz, Vallotton and Miró, among others.

LAUSANNE
Fondation de l'Hermitage, tel: (21) 312-5013, closed Mondays. To Oct. 20: "Armand Guillaumin, 1841-1927: Un Maître de l'Impressionisme Français." More than 100 paintings, pastels and engravings by the lesser-known French impressionist. Guillaumin's landscapes reflect the naturalist tradition of Courbet and Corot.

UNITED STATES

NEW YORK
Guggenheim Museum, tel: , closed Thursdays. To Sept. 29: "In/sight: African Photographers: 1945 to the Present."

PHILADELPHIA
Museum of Art, tel: (215) 684-7860. Continuing/To Aug. 18: "Cézanne." A survey of Cézanne's works over 60 years, including 90 paintings, 70 watercolors and drawings.

SAN FRANCISCO
Museum of Modern Art,tel: (415) 357-4000, closed Mondays. Continuing/To Sept. 8: "Frida Kahlo, Diego Rivera, and Mexican Modernism from the Jacques and Natasha Gelman Collection." Traces the evolution of modern Mexican painting.

WASHINGTON
National Gallery of Art, tel: (202)737-4215, open daily. Continuing/To July 21: "The Robert and Jane Meyerhoff Collection: 1945-1995." Post-World War II American art, including works by Jasper Johns, Frank Stella and Roy Lichtenstein.

CLOSING SOON

July 14: "Vases and Volcanoes: Sir William Hamilton and his Collection." **British Museum, London.**
July 14: "Hot Cars, High Fashion, Cool Stuff: Designs of the 20th Century." **Dallas Museum of Art, Dallas.**
July 14: "Sean Scully: The Catherine Paintings and Watercolours." **Casino Luxembourg, Luxembourg.**
July 14: "Awash in Colour: Great American Watercolours from the Museum of Fine Arts, Boston." **National Gallery of Scotland, Scotland.**
July 14: "Das Alte China: Menschen under Götter im Reich der Mitte." **Kunsthaus, Zürich.**
July 14: "Gérard de Nerval und Deutschland." **Heinrich-Heine-Institut, Düsseldorf.**
July 15: "Les Années Romantiques, la Peinture en France de 1815 à 1850." **Grand Palais, Paris.**
June 16: "Felix Gonzalez-Torres: Girlfriend in a Coma." **Musée d'Art Moderne de la Ville de Paris, Paris.**

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Fax: 33-1 47 05 28 68
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Luxembourg ***
Metro: Odeon
Tel: 33-1 43 25 35 90
Fax: 33-1 43 26 60 84
In the heart of Saint-Germain-des-Prés, two steps from the Jardin du Luxembourg, this former 17th century home is ... an address to dream in Paris.

Saint Paul ***
Metro: Odeon
Tel: 33-1 43 26 98 64
Fax: 33-1 46 34 58 60
In the heart of the Latin Quarter, this hotel with its flowery patio, is a hospitable 17th century establishment; beams and stone enhanced by Haute Epoque furniture.

de Suède ***
Metro: Vaneau, St François Xavier
Tel: 33-1 47 05 00 08
Fax: 33-1 47 05 69 27
In the heart of the Faubourg Saint Germain, near the Musee d'Orsay, this charming hotel welcomes you in a refined and warm setting.

Bailli de Suffren ***
Metro: Ségur, Sèvres Lecourbes
Tel: 33-1 47 34 58 61
Fax: 33-1 45 67 75 82
Between the Eiffel Tower and Montparnasse, this refined hotel guarantees a warm welcome. Apartments, rooms with personalised decoration ...

du Cadran ***
Metro: Ecole Militaire
Tel: 33-1 40 62 67 00
Fax: 33-1 40 62 67 13
Two steps from the Eiffel Tower and the Invalides, this charming hotel, renovated, air-conditioned in 1993, offers a warm welcome in an old and peaceful setting. Lounge bar with 17th century fireplace, library...

de la Bourdonnais ***
Metro: Ecole Militaire
Tel: 33-1 47 05 45 42
Fax: 33-1 45 55 75 54
In the heart of Paris, next to the Invalides and the Eiffel Tower, this charming hotel offers the peace of a quiet district. Gastronomic restaurant mentioned in major guides...

Duquesne Eiffel ***
Metro: Ecole Militaire
Tel: 33-1 47 05 41 86
Fax: 33-1 45 55 54 76
Just a few steps away from the Invalides and the Eiffel Tower, this hotel with character welcomes you in an elegant and charming setting. High quality service...

Jardin de l'Odéon ***
Metro: Odéon
Tel: 33-1 46 34 23 90
Fax: 33-1 43 25 28 12
Next to the Jardin du Luxembourg, in a modern style decor, this charming hotel will warmly welcome you. Spacious and bright rooms with balcony, patio garden, lounge...

Élysées Régencia ****
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Fax: 33-1 49 52 03 42
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Fax: 33-1 48 88 96 40
Behind the Arc de Triomphe and the Champs Elysées, this welcoming hotel, situated in a quiet street offers you a friendly and pleasant service in a modern setting.

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LEISURE

Henri del Olmo (Matisse museum facade)

On the road in Provence, from Avignon (here Palais des Papes) to Nice (facade and interior of Musée Matisse).

In Paris, a Taste of Provence

By Patricia Wells
International Herald Tribune

PARIS — Young Flora Mikula seems to have done the right thing. Few chefs at any age have such a pleasingly compact résumé, chockablock with character-building experiences, cooking in restaurants from Montparnasse cafés to Michelin top-starred restaurants. She's done her duty in her native Provence, in London and even in New York.

A few months back this 27-year-old native of Nîmes struck out on her own with the small, well-appointed Les Olivades, a youthfully romantic and feminine restaurant near the Champ-de-Mars, with two small dining rooms decked out in bright red-and-white Provençal fabrics with pale pink napkins. It could easily turn into too much of a cute thing if the service were less attentive and the cuisine less earnest.

Mikula, a sturdy blonde who often leaves the kitchen at the end of the meal to make the rounds, appears to have turned her single-minded passion to good advantage. Cooking with people like the Michelin three-star chef Alain Passard of Arpège and the Michelin two-star chef Jean-Pierre Vigato of Apicius has not seemed to hurt her either.

But it's clear that her greatest resource is Provence itself, with its abundance of olives, oil, zucchini blossoms, honey, herbs, eggplant and robust wines. She hasn't yet reached her destination in the kitchen, with numerous rough edges to round out. But arrive on the right day in the right mood and you're pretty well assured of a meal that sings of summer and the southern sun.

My latest meal there was the best, a symphony of strong, earthy flavors. A typical starter was batter-fried zucchini blossoms, which arrived hot and properly crispy. A drizzle of herb-rich vinaigrette and a mint-infused mayonnaise served as delicate dipping sauce for the golden *fleurs de courgette*.

LAYERED TERRINE

Equally zesty and welcoming was the layered terrine of fried eggplant, soft goat cheese and finely minced black olives bathed in a simple tomato sauce.

The daily bargain menu — at 149 francs (about $30) for dinner, with a first course, main course and cheese or dessert — might include a nicely spiced creation of tiny, thick rings of sautéed squid mounded on a bed of tabbouleh, an all-white dish that somehow works visually, thanks to a variety of textures and forms. At Les Olivades, the plates and food arrive piping hot, a practice I wish more chefs would embrace.

The main course — roasted sea bass, or *bar rôti* — was not the freshest fish I have ever sampled, but it was expertly prepared, served with a touch of fresh coriander and a spirited eggplant caviar spiced with a touch of cumin.

Desserts include a fruit and ice cream sandwich made of homemade shortbread, or *sablé*, cookies filled with raspberry sorbet and topped with a fresh fruit sauce of cherries and raspberries. The shortbread, alas, suffered from the same fault as Mikula's homemade breads — they leave the oven pale and anemic.

Service is efficient and helpful, with a brief, honestly priced wine list that includes Bernard Gripa's elegant, lemony, white Saint-Péray (the 1994 at 130 francs) and Domaine Richaud's dependable red Côtes-du-Rhône "Les Ebrescades" from the village of Cairanne (the 1990 at 115 francs.)

Les Olivades, 41 Avenue de Ségur, Paris 7; tel: 4783-7009. Closed Saturday lunch and Sunday. Credit card: Visa. 85-franc lunch menu, 149-franc dinner menu.

Running With (or Away From) the Bulls

New York Times Service

MADRID — "Do not run toward the bulls." "Do not challenge, touch, or otherwise distract the bulls. This could be fatal." "Do not be overconfident. Retire before you get into difficulties."

In a first, Pamplona's city hall has published a glossy brochure in English, French and German disclosing the secrets of how to run with the bulls.

The 16-item checklist arrived in time for the weeklong annual San Fermin festival, which began on Sunday. But its usefulness has not yet been proven. Nine people were injured during the running of the bulls Wednesday.

"A lot of people who come here are ignorant about running with the bulls," says Deputy Mayor Joaquín Pascal. Some people, he notes, think the event is "less risky than jogging."

The 25,000 copies of the new pamphlet, distributed at information booths around Pamplona, were designed to fix the problem. The cover features an artist's rendering of two bulls about to trample and gore several runners.

HEMINGWAY CONNECTION The daily ritual of racing with the bulls through the cobblestone streets to the bullring became widely known among English speakers when Hemingway depicted it in his 1926 novel "The Sun Also Rises." Now Pamplona's population of 185,000 doubles on peak festival days.

There have been hundreds of gorings and thousands of other injuries over the years. But the incident that added urgency to publishing the brochure, city officials say, was the fatal goring of a 22-year-old man from suburban Chicago last year. He was the first person killed in 15 years and the 13th since 1924, when record-keeping began.

Each piece of advice in the brochure responds to actual problems, like: "Do not carry anything when you run."

That includes video cameras and babies. Last year, course marshals evicted two women carrying small children just before the corral gates opened and the six fighting bulls charged forward.

Summertime, the Living Is Artsy

By Joan Dupont
International Herald Tribune

AVIGNON, France — "France in the summertime is a waste of time," warned my grandmother. "All the natives are in their châteaux, and they won't let you in." Of course, the natives are no longer alone in their châteaux, and they will, for a price, let you in, along with the musicians, actors, dancers and court jesters that make up the festive summer scene.

Take the road south and just try to avoid the brazen welcome of *bergeries*, and *seigneuries*, converted to châteaux-hôtels; there's no cloister too sacred for a touring flamenco troupe, no stone stadium too uncomfortable for a Carl Orff opera.

The papal court and quarries of Avignon are famous for first nights under the stars and Peter Brook's marathon creations, the Archevêché of Aix is where the elite meet for an annual William Christie fix, while photo aficionados — and the Camargue's finest mosquitoes — convene for a slide show at Arles' antique theater.

BLESSED FEW

The sites are ancient, the art modern. Avignon-Arles-Aix, the cultural melting spot, look deceptively accessible. But you don't simply go to Avignon; beyond the walled city, you enter a sphere that Parisians call "en Avignon," a realm for the blessed few, who reserve early and arrive in droves by car or the TGV high-speed train. The popes left in 1417, but the ghost of Jean Vilar, who founded the Avignon festival 50 years ago, and memories of Gérard Philipe's famous "Le Cid," make this hallowed ground. This year's program includes a Bulgarian Chekhov, a Romanian Aeschylus, a Swiss Kafka.

The gala opening in the papal courtyard is Alain Françon's "Edward II" by Christopher Marlowe. The Elizabethan drama, translated into French by Jean-Michel Deprats, stars Carlo Brandt as the homosexual king, Dominique Valadié as his rightful queen, and Michel Didym as Gaveston, his upstart lover.

Other high spots: Aimé César's "Tragédie du Roi Christophe," starring Emile Abossolo-M'Bo, and Bill T. Jones's world premiere dance tribute to Jacques Brel (tickets from 130 francs, about $26, tel: 9014-1414, through Aug. 3). Theater, music and dance spill out through the city to *chartreuses* and wine cellars. In the Cloître des Carmes, Stuart Seide directs Georges Bigot in short plays by Beckett; at the Musée Calvet, Jean-Louis Trintignant recites Victor Hugo.

Some come to Arles for the corrida, some for the views that inspired van Gogh. The "Rencontres Photographiques" event turns the town upside down (through Aug. 18, tel: 9096-7606). Cindy Sherman and Sophie Calle are part of a show titled "The Mask and the Mirror," at the Abbaye de Montmajour; a Ralph Eugene Meatyard retrospective is at the Archevêché; Espace Van Gogh features Nancy Burson and her famous machines for aging and distorting faces, and William Wegman's doleful disguised dogs. A fascinating exhibit on "Lost Cities," mythic and real, by the Greek photographer John Stathatos is on at the new Antique Arts Museum (tel: 9018-8888).

CITY OF FOUNTAINS Aix, the city of 200 fountains, hosts the 49th International Festival of Lyric Art & Music (July 15-28). The French premiere of Handel's "Semele," from a play by William Congreve, opens at the Archevêché, with William Christie conducting Les Arts Florissants: Rosemary Joshua and Rockwell Blake sing the leads, Robert Carsen directs. The steep price of tickets, 290-890 francs, has put this festival out of reach for many (tel: 4217-3434). But you can always take a Cézanne walking tour, visit his lycée and see the Montagne Sainte-Victoire.

Like so many provincial cities, Aix has been Benettonized and McDonaldized, but nobody can touch the fountains or take away vintage brasseries like the "Deux Garçons" that stud the Cours Mirabeau.

Colette and, more notoriously, Brigitte Bardot, slept in the environs of Saint Tropez, but the town itself never sleeps. By day, you too can loll on the blond sands and watch the big boats; then you can dance the night away.

Other towns have chapels, Saint Tropez has discos: L'Esquinade, the high decibel cellar club created in the '50s; Les Caves du Roy, the glamour spot for stargazers; Le Papagayo, the mega-boîte for teenyboppers, Le Pigeonnier for all ages and sexual preferences.

There is, however, a chapel: L'Annonciade, now a museum, is still a haven. Signac started the idea of a house for local artists in 1920; Bonnard, Van Dongen, Derain, Marquet, Matisse, Vuillard left their touches on canvas, reflecting the colors of the port — rusts and ochers, azure light. Portraits of Misia Sert and her circle (through Oct. 14, tel: 9497-0401).

Senequier, the elite patisserie, looks like a bus depot these days, but every morning, in the stalls behind, fisherman sell their wares fresh off the boat. And the great Provençal market, Tuesdays and Saturdays on the Place des Lices, has 1900s posters, opera glasses and watch fobs along with tomatoes, garlic, melons, and every provençal patterned tablecloth and oven mitt under the sun.

You can sit at the Café des Arts and watch the locals shoot *boules*. And you may head for an evening of Pagnol at the Ramatuelle Festival, set in an Epidaurus style amphitheater (Aug. 1-12, tel: 9479-2563).

Back on La Provençale, the highway heading to Nice, villages like Vallauris, once famous for their crafts, peddle dreadful ceramics. If you think you might pick up a pot that Picasso left in his kiln, dream on, but Poterie Madoura (tel: 9364-6639) has been selling Picasso ceramics since 1947.

ANTIBES has its Picasso museum at the Château Grimaldi (tel: 9290-5420); Biot has the Léger museum, a gleaming mosaic set on emerald heights, featuring a Jean Fautrier exhibition (through Sept. 15, tel: 9365-6349).

Nice, which has a famous Chagall museum, also has a Matisse museum housed in a 17th-century villa in the hilly Roman quarter, flocked by parasol pines, with the artist's own collection, a Matisse and Bonnard exhibit and Fauve Ceramics in the new wing (through July 21, tel: 9381-0808). The Maeght Foundation, pitched above Saint-Paul-de-Vence, perhaps the most spectacular setting for modern art in the south of France, shows Germaine Richier's work — surreal sculptures on the lawn (through Aug. 25, tel: 9332-8163) — and, in the back, Giacometti's fragile bronze figures march on, forever poised at a forward slant.

RECORDINGS

Kenny Barron, With Plenty of Spirit

Mark Averty

Jean Greaves: dues paid.

MINO CINELU/KENNY BARRON "Swamp Sally" (Verve): Barron was Stan Getz's last accompanist and is the successor to Tommy Flanagan as everybody's favorite piano player. Here he improvises collectively with the ex-Miles Davis percussionist Cinelu; between World Music, free bop, funk and abstraction. Both play electric keyboards. Barron sounds fresh, out of his habitual acoustic context. Cinelu sings, strums, percussionizes and produces "sound effects," and has plenty of spirit to spare.

JOHN GREAVES "Songs" (Resurgence): Greaves is a dues-paid veteran of British intellectual rock royalty along with Henry Cow, Peter Blegvad, Mike Oldfield and Jack Bruce — a vigorous and rather overlooked tendency. His songs are poetic and soulful, particularly those featuring the haunting voice of ex-Soft Machine Robert Wyatt.

CHARLIE HUNTER QUARTET "Ready, Set, Shango!" (Blue Note): Soft jazz-tinged funk or the other way around; cool and bluesy with a choice of choice options to explore. Propelled by the leader's eight-string guitar.

ROY HAYNES "Out Of The Afternoon" (Impulse!): Like Henry Miller vis-à-vis Hemingway and F. Scott Fitzgerald, Haynes is often overlooked during discussions about whether it was Max Roach, Kenny Clarke or Elvin Jones who invented the elastic time-keeping vocabulary so much in our ears for years. Haynes stated his case well here in 1962 with Tommy Flanagan, Henry Grimes, and Roland Kirk on manzello, strich, saxophone and nose flute.

Mike Zwerin/IHT

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Suzy Oxley

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* * * *

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NYSE

Thursday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 18

THE TRIB INDEX 136.29

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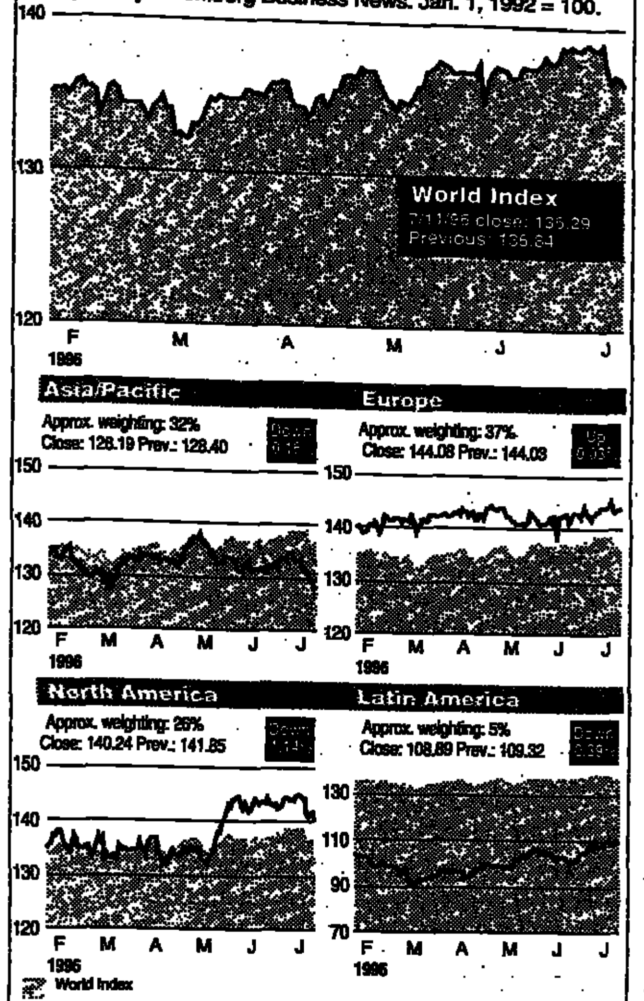

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Industrial Sectors

	Thu. close	Prev. close	% change		Thu. close	Prev. close	% change
Energy	148.74	148.48	+0.18	Capital Goods	142.51	144.70	−1.51
Utilities	126.75	127.09	−0.27	Raw Materials	159.92	160.30	−0.24
Finance	117.45	117.68	−0.20	Consumer Goods	146.32	146.78	−0.31
Services	127.49	128.15	−0.52	Miscellaneous	137.35	138.11	−0.55

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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Blue-Chip High-Tech Blues

Hewlett-Packard Outlook Sets Off New Slide

Reuters

NEW YORK — As investors realize that even the most stable of technology companies are not immune to the slowdown this quarter, blue-chip technology stocks tumbled, with Hewlett-Packard Co. leading the way.

Hewlett-Packard said late Wednesday that its order growth rate, a key indicator of earnings and revenue for the diversified electronics company, would trail that of the like quarter last year. It also decided to quit the disk-drive business, focusing instead on tape drives and compact-disk storage technologies.

The company's stock plunged $10.625 on Thursday, to close at $78.375 a share.

Hewlett-Packard's news, coming after Motorola Inc.'s worse-than-expected earnings and a forecast of poor earnings from Digital Equipment Corp., reflects a sluggish technology sector.

"Certainly, the H-P problems would cast out on IBM and Digital," said Gary Helmig, a SoundView Financial Group analyst, who follows International Business Machines Corp. and Digital. "We have been hearing Digital talk about Europe being weak. H-P didn't mention it in their release, but they have previously spoken about European weakness."

Late Wednesday, John Jones of Salomon Brothers Inc. trimmed earnings estimates on many of the computer hardware companies he follows.

"We are reducing our estimates on IBM, Hewlett-Packard, Digital Equipment and Amdahl Corp. to reflect the severity of the business environment in the technology group," Mr. Jones said.

Traders said that Hewlett-Packard, which is usually seen as a blue-chip stock by investors, was rumored last week that to be announcing that it would miss estimates for the quarter, as some analysts cut earnings estimates last week.

The downturn in technology stocks was across the board, but hardware makers were among the most actively traded. IBM, Digital, Apple Computer Inc., Compaq Computer Corp. and Sun Microsystems Inc. all finished down sharply.

U.S. Robotics Corp., the modem maker, also fell, finishing down $2.25 at $75.50, as were chipmakers such as Intel Corp. and Motorola.

Among software companies, Microsoft Corp. and Netscape Corp. suffered, but Oracle Corp. slipped only 75 cents, to $37.625.

American depositary receipts of technology companies also tumbled, including the French-Italian SGS-Thomson Microelectronics NV, Philips Electronics NV of the Netherlands, and the telecommunications concerns LM Ericsson AB of Sweden and Nokia Group of Finland.

United Healthcare Corp., the largest American health maintenance organization, added selling pressure to the market with a warning that its second-quarter profits also would fall short of Wall Street's expectations. It finished down $13.25 at $31, in the second most-active trading on the New York Stock Exchange.

The company said its operating income for the three months ending June 30 would be 40 cents to 45 cents a share, down from 51 cents earned in the corresponding period of 1995 and below analysts' expectations of about 66 cents.

EU Court Blocks Public TV's Group Rights for Sports

By Tom Buerkle
International Herald Tribune

BRUSSELS — In a judgment that is likely to intensify the frenzied bidding for rights to sporting events by European broadcasters, a European Union court on Thursday said public television stations could no longer buy group rights for such things as the Olympic Games or the soccer World Cup.

The ruling ending their antitrust exemption was a potentially major setback to Europe's government-owned and financed television stations, which have faced a steady erosion of their market share to commercial broadcasters in recent years.

The public stations already are facing intense competition from commercial and pay-television operators, a trend highlighted by last week's $2.2 billion winning bid for rights to the 2002 and 2006 World Cups by Germany's Kirch group and the Swiss marketing firm ISL.

The court ruling also questioned the heart of the defense strategy of the public stations: namely, that it is in the public interest to have major sports events made freely available to the entire public instead of restricted to subscribers of satellite, cable or pay-per-view services.

Souné Wade, secretary-general of the Association of Commercial Television in Europe, welcomed the ruling. She said it endorsed her group's view that the European Broadcasting Union, the association of public TV stations, has distorted competition for years by excluding commercial stations from its membership and acting as a cartel using taxpayers' money.

"What we want to have is fair competition on the market," she said.

Officials at the broadcasting union said they were still studying the ruling and had not decided whether to appeal.

The European Commission, the executive agency of the 15-nation European Union that granted the exemption, also declined to react. But a spokesman said that the com-

See TV, Page 19

Europe Wins Spirits Test With Japan

Agence France-Presse

BRUSSELS — The European Commission on Thursday was toasting a major victory in its battle to force Japan to scrap stiff tariffs on imports of Scotch whisky, French cognac and other spirits produced in Europe.

The celebrations followed the publication of a report by the World Trade Organization concluding that Japan had no justification for taxing imported spirits at more than six times the level of locally-produced sake.

The report will become a formal ruling in September. Japan then has the right of appeal. If it fails to implement the ruling, the EU can ask the WTO to authorize countermeasures.

The WTO's stance is particularly good news for the whisky industry in Scotland as well as in Ireland. Their products are enormously popular in Japan, but import taxes make them prohibitively expensive.

The commission said it hoped that the WTO's ruling also would help to open other markets where spirits face barriers, particularly in Chile and South Korea.

At Long Last, Lloyd's Will Post a Profit

By Erik Ipsen
International Herald Tribune

LONDON — On Friday, Lloyd's of London will do something novel. It will announce a profit, one estimated at more than £1 billion ($1.55 billion), after reporting losses totaling £8 billion since 1990.

Those expected record earnings promise to set the groundwork for a series of crucial votes by the Lloyd's insurance market's 34,000 individual members, known as Names, in coming days.

Beginning with Lloyd's annual meeting on Monday, and extending through the Aug. 28 deadline for members' acceptance of a settlement offer to end their years of litigation against the insurance market, the Names are widely expected to approve the radical restructuring of Lloyd's that will lift it from its deathbed.

On Thursday, Lloyd's prospects got a critical boost. In Washington, the insurance market announced that it had agreed to what it termed a "framework" for the settlement of a series of disputes with regulators in several American states.

U.S. regulators had threatened to block American Names from accepting the market's settlement on legal grounds. That dispute had widely been regarded as the biggest obstacle to Lloyd's reconstruction efforts.

"The light at the end of the tunnel is no longer the train rushing towards us," said William Lewis, a director at Minories Underwriting Agencies. "People are optimistic that instead, we might now be seeing the end of the crisis."

The first, and easier, test of the new optimism will come at the Monday annual meeting.

At that point, Names who have been active in the market over the last three years will vote on whether to contribute £440 million from their profits in those three years to a massive £3.1 billion out-of-court settlement offer, out of which Lloyd's will pay off some of the

See LLOYD'S, Page 19

Thinking Ahead /Commentary

Germany Gets Closer to Its Neighbors

By Reginald Dale
International Herald Tribune

WASHINGTON — As the European Union prepares for the debut of its single currency, a major feature of the continent's politico-economic scenery has shifted: Germany no longer has a monopoly on economic virtue.

For years, as the lone champion of anti-inflationary discipline, Germany saw its role as being to teach other Europeans how to run their economies, to crack the whip when necessary and to dictate the terms for European economic and monetary union.

German financial officials were privately contemptuous of the spendthrift culture of their EU partners, particularly the Latin countries to their South. There were — and still are — widespread fears that economic and monetary union would somehow drag down Germany to Latin levels of profligacy.

Now, however, Germany is beginning to look more like its partners thanks to its own unaided efforts — without waiting for economic and monetary union to start. In the words of Stephan-Götz Richter, publisher of the Washington-based Transatlantic Futures wire, we are witnessing the "creeping Italianization" of Germany.

Among other Italianate elements, Mr. Richter cites mounting corruption and tax evasion, the growth of an unofficial "black" economy, excessive wage increases over the last 15 years and escalating public debt. In seeking to stimulate the economy by stronger exports, based on a depreciating exchange rate, today's Germany looks remarkably like the Italy of 1993-95, he says.

Of course the parallel should not be taken too far. The German economy remains by far the EU's strongest, and Germany is still Europe's most powerful leader. Germany will be a founding member of the single currency, alongside France, while Italy will not.

But Germany is becoming a much more "normal" European country. Like most of its partners, Germany is struggling to reduce its budget deficit to qualify for the single currency. Like France and others, it has embarked on a painful process of shrinking its welfare state.

At the same time, other EU countries, especially Germany's closest neighbors, have been moving in Germany's direction. France, the Benelux countries and Austria, who are likely to join Germany as core members of the single currency, are all now acknowledged as serious inflation-fighters.

The key is Germany's striking economic convergence with France. The two countries' economies are now so closely entwined that they can form a viable nucleus of the economic and monetary union, says Klaus Friedrich, chief economist at Dresdner Bank.

Mr. Friedrich's figures show French and German economic growth, inflation and wage rates moving in remarkable tandem, in what looks like a long-term pattern of convergence.

With no change for almost 10 years, the franc-Deutsche-mark parity has stabilized. Crucially, the financial markets accept that the two countries are running common monetary and exchange rate policies, Mr. Friedrich says.

Of course, not all of this togetherness is good. Franco-German unemployment rates are converging at unacceptably high levels — although that is not the fault of economic and monetary union — and joint Franco-German policies can also be wrong policies.

It would be a big mistake, for instance, if France and Germany thought that once they have introduced the single currency they need do nothing further to make Europe more competitive. If they want the new currency to be strong, they must continue to shrink the role of government and open up their labor markets.

For now, however, Germany's increasing resemblance to its neighbors should, logically at least, make Germans less worried about economic and monetary union. It means that Germany's longstanding precondition for the single currency — economic convergence — is being fulfilled.

It should also mean that Germany should be less presumptuous about lecturing its neighbors in the future. But perhaps that's too much to ask.

CURRENCY & INTEREST RATES

Cross Rates

July 11

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.71	2.659	1.1226	0.3318	0.1115*	—	5.449*	1.3591	1.5512*	1.248	1.335*
Brussels	31.43	48.735	20.6525	6.093	2.0479*	18.359	—	24.92	0.2046	23.03	24.5275*
Frankfurt	1.5257	2.3714	—	0.2956	0.994*	0.891	4.859*	1.2095	1.3821*	1.1154	1.1883*
London (a)	1.5555	—	2.3659	8.0045	2,380.295	2.6546	48.253	1.9582	171.205	2.1326	199.82
Madrid	128.358	199.468	84.103	24.856	8.357*	74.936	4.0817	101.742	116.308*	93.888	—
Milan	1,536.00	2,388.60	1,006.20	297.67	—	896.45	48.89	1,234.88	13.884	1,122.40	11.978
New York (b)	—	1.55449	1.5223	5.1475	1,532.00	1.7079	31.36	1.2572	110.265	1.3798	127.96
Paris	5.164	8.025	3.3836	—	0.3362*	3.0148	0.1642	4.0932	4.6793*	3.7741	4.0235*
Tokyo	110.68	171.80	72.37	21.40	0.721	64.59	3.5133	87.42	—	80.90	0.8514
Toronto	1.3688	2.1277	0.8996	0.2659	0.0893*	0.8016	0.4389*	1.0896	1.2414*	—	1.071*
Zurich	1.26	1.9589	0.8264	0.2443	0.0821*	0.7364	4.0482*	—	1.1422*	0.9202	0.9823*
1 ECU	1.2565	0.8004	1.9149	6.4836	1,928.12	2.1489	39.4514	1.5838	138.342	1.7213	161.885
1 SDR	1.4413	0.9275	2.199	7.4287	2,213.88	2.4688	45.3256	1.8082	159.265	1.9727	184.978

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	239.63	Mex. peso	7.6075	S. Afr. rand	4.344
Australian $	1.2509	Hong Kong $	7.7385	N. Zealand $	1.4543	S. Kor. won	812.20
Austrian sch.	10.725	Hung. forint	153.92	Norw. krone	6.5155	Swed. krona	6.6825
Brazil real	1.0047	Indian rupee	35.49	Phil. peso	26.19	Taiwan $	27.60
Chinese yuan	8.3361	Indo. rupiah	2331.78	Polish zloty	2.73	Thai baht	25.41
Czech koruna	27.29	Irish £	0.6275	Port. escudo	156.62	Turkish lira	82612.0
Danish krone	5.876	Israeli shek.	3.1735	Russ ruble	5111.50	UAE dirham	3.6715
Egypt. pound	3.3955	Kuw dinar	0.299	Saudi riyal	3.75	Venez. boliv.	471.75
Fin. markka	4.6587	Malay. ring.	2.491	Sing. $	1.4148		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5534	1.5535	1.5537	Japanese yen	109.87	109.35	108.92
Canadian dollar	1.3671	1.3662	1.3651	Swiss franc	1.2576	1.2545	1.2514
Deutsche mark	1.5230	1.5229	1.5171				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

July 11

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	3 1/8 - 3 1/4	2 1/4 - 2 1/2	5 1/2 - 5 5/8	3 5/8 - 3 3/4	7/16 - 1/2	4 3/8 - 4 1/2
3-month	5 1/2 - 5 5/8	3 1/4 - 3 3/8	2 3/8 - 2 1/2	5 1/2 - 5 5/8	3 3/4 - 3 7/8	9/16 - 11/16	4 3/8 - 4 1/2
6-month	5 11/16 - 5 7/8	3 3/8 - 3 1/2	2 5/8 - 2 3/4	5 1/2 - 5 5/8	3 7/8 - 4	5/8 - 3/4	4 3/8 - 4 1/2
1-year	6 1/16 - 6 1/8	3 11/16 - 3 13/16	2 3/4 - 3	5 15/16 - 6 1/16	4 1/8 - 4 1/4	1 - 1 1/8	4 5/8 - 4 3/4

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/2	5 3/8
3-month CDs	5.18	5.18
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.12	5.14
1-year Treasury bill	5.50	5.53
2-year Treasury bill	6.24	6.28
5-year Treasury note	6.64	6.68
7-year Treasury note	6.74	6.77
10-year Treasury note	6.87	6.92
30-year Treasury bond	7.05	7.08
Merrill Lynch 30-day RA	4.81	4.81
Japan		
Discount rate	0.50	0.50
Call money	0.46	0.43
1-month interbank	0.56	0.56
3-month interbank	0.69	0.69
6-month interbank	0.81	0.81
10-year Govt bond	3.31	3.29
Germany		
Lombard rate	4.50	4.50
Call money	3.38	3.38
1-month interbank	3.40	3.40
3-month interbank	3.42	3.42
6-month interbank	3.50	3.50
	6.56	6.56

Britain		
Bank base rate	5 3/4	5 3/4
Call money	5 5/8	5 3/4
1-month interbank	5 3/4	5 3/4
3-month interbank	5 3/4	5 3/4
6-month interbank	5 3/4	5 3/4
10-year Gilt	7.89	7.88
France		
Intervention rate	3.55	3.55
Call money	3 5/8	3 5/8
1-month interbank	3 11/16	3 11/16
3-month interbank	3 3/4	3 3/4
6-month interbank	3 7/8	3 7/8
10-year OAT	6.56	6.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	382.75	383.00	+0.40
London	382.50	382.70	−0.30
New York	383.50	384.60	+0.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)
Source: Reuters.

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It's our total commitment to serving your unique demands, wherever you may be.

From the time we opened our first office in Switzerland in 1876, Credit Lyonnais has earned an enviable reputation for Private Banking based on dialogue and personal relationships.

The founder of Credit Lyonnais, Henri Germain, expressed it most succinctly when he created the bank's motto: "Business is people, not just figures".

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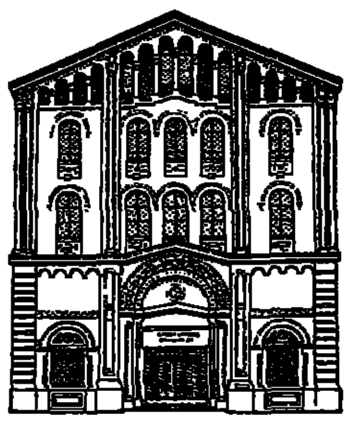

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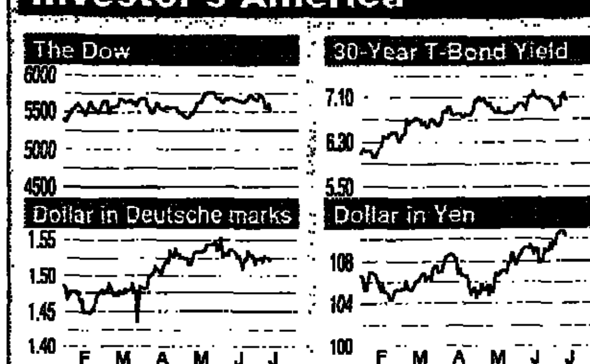
THE AMERICAS

Investor's America



Exchange	Index	Thursday Close	Prev. Close	% Change
NYSE	The Dow	5520.54	5603.85	-1.48
NYSE	S&P 500	645.67	656.06	-1.58
NYSE	S&P 100	622.93	633.42	-1.66
NYSE	Composite	346.64	351.75	-1.45
U.S.	Nasdaq Composite	1106.61	1138.15	-2.77
AMEX	Market Value	549.09	561.81	-2.26
Toronto	TSE Index	5055.80	5098.30	-0.84
São Paulo	Bovespa	64228.80	64204.70	+0.04
Mexico City	Bolsa	3056.29	3087.48	-1.01
Buenos Aires	Merval	566.74	565.06	+0.30
Santiago	IPSA General	5685.33	5708.81	-0.32
Caracas	Capital General	4365.48	4355.31	+0.23

Source: Bloomberg, Reuters — International Herald Tribune

Fed Denies 'Opportunistic Approach' to Inflation

By John M. Berry
Washington Post Service

WASHINGTON — Some analysts attributed the bond-market rally this week to a new Federal Reserve Board staff study that they said lays out the case for why central bank officials might be less inclined to raise interest rates to fight inflation than everyone had thought.

But Fed officials were quick to say Wednesday that the study, "The Opportunistic Approach to Disinflation," is not a statement of a new policy and should not be viewed as providing clues about why policymakers chose to make no change in interest rates last week or what they might do in the coming months.

The "opportunistic" policy strategy detailed in the study involves making no attempt to reduce inflation when it is already relatively low, as is currently the case. The strategy would call for raising rates if inflation starts to rise, however. Most of the progress against inflation would come when a recession eventually occurred. At that point the economic weakness would take an extra bite out of inflation. Once the recession ended with inflation at a lower level, the Fed policy would be to keep prices stable.

[Bond prices fell early Thursday in response to this article, which appeared in that day's editions of the Washington Post, Knight-Ridder reported from New York. Matt Alexy, chief market analyst at CS First Boston, said that while the market rose Wednesday in response to news of the Fed study, "today this dose of reality furnished by the Washington Post is pushing it back the other way, although not completely."

[The bond market regained all of the ground it had lost early on as traders fled the plunging stock market following a negative announcement by Hewlett Packard Co.]

Even though the Fed strongly denies this strategy has been formally adopted, sources said it is a pretty good description of how the Fed has been operating in recent years. Ultimately this approach could achieve price stability — although no one could predict when.

Currently, the issue is whether the economy is growing too rapidly to be consistent with a stable inflation rate. If Fed officials conclude that it is, then policymakers would vote to raise interest rates whether they were using this opportunistic approach or simply concentrating on achieving stable prices.

Each of the policymakers who votes during the Fed's interest-rate sessions, however, has a slightly different view of the economy and different reasoning for policy choices.

The study, conducted by Athanasios Orphanides and David W. Wilcox of the Fed's division of monetary affairs, was presented at a May meeting but was not discussed.

The study's point was to describe in rigorous economic terms why a policymaker with the goal of price stability might choose the opportunistic approach rather than simply keeping unemployment high enough to cause inflation to decline steadily.

Their conclusion, which the authors expressed with considerable reservation, is that the policymaker with such a strategy must care a good deal more about even small losses in economic growth than about small increases in inflation.

What the study did not address is the broad political context in which the Fed operates. If, for example, the nation stumbles into a recession the Fed did not engineer through higher rates and inflation falls as a result, the Fed is not likely to encounter the same complaints from Congress or the public that it would face if it sought to increase unemployment at a time, such as now, when inflation is not viewed as much of a threat.

SHARES: *Is the Rally Over?*

Continued from Page 1

from 7.08 percent on Wednesday.

The most ominous sign was a report that mutual-fund investors, whose record infusions of cash have underpinned the market, have become less bullish on Wall Street and have reduced the rate at which they have been putting money into stocks. Aggressive-growth funds that specialize in small company stocks actually suffered net withdrawals.

The Investment Company Institute, a mutual-fund trade group, reported that cash inflows to stock funds exceeded redemptions by $15.5 billion in June — still a positive number but sharply down from $25.1 billion in May and well below the first-half monthly average of $23 billion. The June figure was still better than every month last year except December, but the question remained whether last month was the end of a boomlet.

"The aggressive funds were battered in June, and many people were reluctant to write a check," said John Reckenthaler of Morningstar, which follows mutual funds. "But you would need more bad fundamental news to see the flow go the other way. For a pullout you would need bad news of a kind that we haven't had for six years."

Mr. Goldman said he did not see that coming, and he derided "the bears who have been calling the top of the market for one year, two years, and five years."

But Michael Metz of Oppenheimer & Co., admittedly one of those bears, was firm in saying that the end of the bull market was nigh.

"The market has been overvalued by at least one thousand points," he said. "That was O.K. when $25 billion a month was pouring into mutual funds, and you had a favorable outlook for interest rates and earnings. But all of that now is a question."

Could the market actually drop 1,000 points?

Pravin Banker, a New York money manager, sketched out a scenario in which investors and fund managers flee small-company stocks, some of which are priced at 200 times earnings.

Large Wall Street houses that pledge to make a market in such shares would have to buy them back.

What might happen next, he warned, would be a ripple effect. "The big houses have to keep up their cash position so they have to sell something, and they would sell the Dow stocks because they are stuck with the whisper stocks. That really starts the dominoes falling, and that's how the market could go down by a thousand. When? If the Fed raises rates by 50 basis points late in August, that would be the last straw."

Bundesbank Inaction Becalms Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The Deutsche mark was little changed but the dollar declined Thursday after the Bundesbank left key German interest rates unchanged at the regular meeting of its council.

Economists had largely predicted the central bank would keep its discount and Lombard rates steady, particularly given that M-3 money supply, taken as a policy guide because it foreshadows future inflation rates, was still growing rapidly.

Both President Hans Tietmeyer of the central bank and Reimut Jochimsen, a council member, had said before the meeting that they saw no economic grounds for a further cut in interest rates.

Lower interest rates tend to weaken a currency by making investments in it less attractive.

The dollar finished at 1.5213 DM, down from 1.5263 DM on Wednesday.

Dollar traders were reluctant to take positions before seeing clearer indications as to whether the Federal Reserve Board would increase U.S. interest rates. The producer price index and retail sales data are to be released Friday.

FOREIGN EXCHANGE

"The markets are quiet at the moment and are looking past data tomorrow to Alan Greenspan's Humphrey-Hawkins congressional testimony," said Keith Edmonds of IBJ International, referring to the Fed chairman. "His testimony should shift the FX markets out of their current dull patch."

Against other major currencies, the dollar declined to 110.265 yen from 110.395 yen; to 1.2572 Swiss francs, against 1.2632 francs, and to 5.1475 French francs, against 5.1665 francs. The pound rose to $1.5544 from $1.5526.

The dollar fell to 127.960 pesetas from 128.213 pesetas, after the European commissioner in charge of monetary union, Yves Thibault de Silguy, said Spain was on track to qualify for the single currency.

Madrid is taking the correct measures toward complying with the economic convergence criteria under the Maastricht treaty, he said, in trimming its deficit.

Spain's budget deficit was 5.8 percent of gross domestic product last year, well above the 3 percent limit, but the new government of José María Aznar has pledged to make meeting the criteria the crux of its economic policy. *(Reuters, Bloomberg, AFP, Knight-Ridder)*

Very briefly:

Trading Income Powers Morgan Net

NEW YORK (Combined Dispatches) — J.P. Morgan & Co. said Thursday that net income totaled $440 million in the second quarter, up 40 percent from the same quarter last year, on strong trading results and record revenue in investment banking.

Earnings growth was dominated by trading revenue, which more than doubled to $697 million on higher stock, bond and foreign exchange revenue.

Second-quarter investment banking revenue rose 79 percent, to $210 million.

Morgan stock finished down 62.5 cents, at $81.375.

Ford Seeks Control of Car Agency

DEARBORN, Michigan (AFX) — Ford Motor Co. said Thursday that it would seek full control over Budget Rent-a-Car Corp., incurring a one-time after-tax charge against earnings of $437 million.

But the recent public offering of 19.3 percent of its wholly owned finance unit Associates First Capital will result in a one-time after-tax gain of $650 million, resulting in a net after-tax gain in the second quarter of $213 million.

Ford also raised its quarterly dividend 9 percent, to 38.5 cents a share.

Its shares closed down 37.5 cents, at $31.125.

• **MasterCard International Inc.** has barred Asian banks that issue its credit cards from also issuing **American Express** Co. cards in the company's first effort to extend its exclusion policy outside the United States.

• **Dow Chemical Co.** said it would buy back 20 million shares, following the repurchase of 25 million shares over the past 12 months.

• **Enron Corp.** reported a 24 percent increase in net income, to $116.7 million, for the second quarter, as revenue rose 43 percent, to $3.00 billion. *Knight-Ridder, Bloomberg*

AMEX

Thursday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AIM Str	168	[illegible]	[illegible]	[illegible]	[illegible]
AMC	242	[illegible]	[illegible]	[illegible]	[illegible]
ARC	684	[illegible]	3	[illegible]	[illegible]
AckCom	192	[illegible]	[illegible]	[illegible]	[illegible]
AcmeU	278	[illegible]	[illegible]	[illegible]	[illegible]
Action	115	[illegible]	[illegible]	[illegible]	[illegible]
AdvMag	125	[illegible]	18	18	[illegible]
AdvMed	109	[illegible]	[illegible]	[illegible]	[illegible]
Aeroson	212	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	196	[illegible]	[illegible]	[illegible]	[illegible]
Alamco	228	12	[illegible]	[illegible]	[illegible]
AHaggen	123	[illegible]	[illegible]	[illegible]	[illegible]
AlldRsh	187	[illegible]	[illegible]	[illegible]	[illegible]
Alphain	265	[illegible]	[illegible]	[illegible]	[illegible]
AlpinGr	639	[illegible]	[illegible]	[illegible]	[illegible]
Alcap pf	13250	64	64	64	[illegible]
Amdhl	1801	[illegible]	[illegible]	[illegible]	[illegible]
AExpl	375	14	[illegible]	[illegible]	[illegible]
AmerPac	159	[illegible]	[illegible]	[illegible]	[illegible]
AScIE	131	[illegible]	[illegible]	[illegible]	[illegible]
Ampal	390	5	[illegible]	[illegible]	[illegible]
Ampex n	6773	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	250	[illegible]	[illegible]	[illegible]	[illegible]
Anuhco	226	[illegible]	[illegible]	[illegible]	[illegible]
AstLiving	271	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	284	6	[illegible]	[illegible]	[illegible]
Atari	7815	[illegible]	[illegible]	[illegible]	[illegible]
Audvox	145	5	[illegible]	[illegible]	[illegible]
Autotote	645	[illegible]	[illegible]	[illegible]	[illegible]
Azco	634	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	257	[illegible]	[illegible]	[illegible]	[illegible]
Baker	271	[illegible]	[illegible]	5	[illegible]
Baldw	412	[illegible]	3	[illegible]	[illegible]
Ballaly n	229	[illegible]	14	[illegible]	[illegible]
Bansir g	210	[illegible]	[illegible]	[illegible]	[illegible]
BanyHl	221	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	1886	4	[illegible]	[illegible]	[illegible]
BenchE	285	[illegible]	[illegible]	[illegible]	[illegible]
BentPh s	110	[illegible]	[illegible]	[illegible]	[illegible]
BioR A s	498	[illegible]	[illegible]	[illegible]	[illegible]
Blavgs s	1115	[illegible]	[illegible]	[illegible]	[illegible]
BlondT n	343	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	330	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp s	153	[illegible]	[illegible]	[illegible]	[illegible]
Cablvsn	628	[illegible]	[illegible]	[illegible]	[illegible]
Cablvs pf	1397	25	[illegible]	[illegible]	[illegible]
Cabletel	187	[illegible]	[illegible]	[illegible]	—
Gelchgld	376	34	[illegible]	34	—
GiantFd	615	[illegible]	35	[illegible]	[illegible]
Glatfl	280	[illegible]	[illegible]	[illegible]	[illegible]
Globlnk	140	[illegible]	[illegible]	[illegible]	[illegible]
GoVideo	120	[illegible]	[illegible]	[illegible]	[illegible]
GldStarR	1646	[illegible]	[illegible]	[illegible]	[illegible]
GldFld	600	[illegible]	[illegible]	[illegible]	[illegible]
GormRup	215	[illegible]	[illegible]	[illegible]	[illegible]
Greenbr s	266	[illegible]	[illegible]	[illegible]	[illegible]
GreyLne	1480	[illegible]	4	4	[illegible]
GrSmac	262	[illegible]	[illegible]	[illegible]	[illegible]
HallEP	280	[illegible]	[illegible]	[illegible]	[illegible]
Halsey	112	[illegible]	5	[illegible]	[illegible]
HanvDir	204	[illegible]	[illegible]	[illegible]	[illegible]
HanvDir	732	[illegible]	[illegible]	[illegible]	[illegible]
Harken	3380	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro	1318	[illegible]	[illegible]	[illegible]	[illegible]
HowAir	1173	[illegible]	[illegible]	[illegible]	[illegible]
HlthCh	112	[illegible]	[illegible]	[illegible]	[illegible]
HlthPro s	150	[illegible]	4	4	[illegible]
Hearx n	1584	[illegible]	[illegible]	6	[illegible]
HrtgMd	930	[illegible]	[illegible]	[illegible]	[illegible]
HlShearT	120	[illegible]	[illegible]	[illegible]	[illegible]
HoopH	139	[illegible]	[illegible]	[illegible]	[illegible]
HovnEn	441	[illegible]	[illegible]	[illegible]	[illegible]
ICH	440	[illegible]	[illegible]	9	[illegible]
Identix	1457	[illegible]	[illegible]	[illegible]	[illegible]
ImpCAM n	554	[illegible]	[illegible]	[illegible]	[illegible]
ImpOil g	386	[illegible]	[illegible]	[illegible]	[illegible]
Intelcm	2876	[illegible]	[illegible]	[illegible]	[illegible]
IntegSys	149	[illegible]	[illegible]	[illegible]	[illegible]
InCPd	1292	3	[illegible]	[illegible]	[illegible]
InterDig	2592	[illegible]	[illegible]	[illegible]	[illegible]
ecInmne	425	[illegible]	[illegible]	[illegible]	[illegible]
Intrmagn	760	[illegible]	[illegible]	18	[illegible]
IRIS	177	9	[illegible]	[illegible]	[illegible]
IntPolys	209	[illegible]	[illegible]	18	[illegible]
IntLaser	1294	12	[illegible]	[illegible]	[illegible]
IvaxCp	12166	15	[illegible]	[illegible]	[illegible]
JanBell	183	[illegible]	[illegible]	[illegible]	[illegible]
KFX Inc	387	7	[illegible]	[illegible]	[illegible]
KV Ph A	172	[illegible]	[illegible]	[illegible]	[illegible]
KatzM	400	12	[illegible]	[illegible]	[illegible]
Keane	339	[illegible]	[illegible]	[illegible]	[illegible]
Kirby	294	[illegible]	[illegible]	[illegible]	[illegible]
KnogNA	334	[illegible]	[illegible]	[illegible]	[illegible]
KogrEq	282	[illegible]	13	[illegible]	[illegible]
[illegible]	1051	[illegible]	[illegible]	[illegible]	[illegible]
LaBarg	590	[illegible]	6	[illegible]	[illegible]
Laser	676	[illegible]	[illegible]	[illegible]	[illegible]
LazKap	294	14	[illegible]	[illegible]	[illegible]
LeHK 98wt	178	[illegible]	[illegible]	[illegible]	[illegible]
LehSYC wt	380	[illegible]	[illegible]	4	[illegible]
LilVern	188	13	[illegible]	[illegible]	[illegible]
ShefldInd	444	[illegible]	[illegible]	[illegible]	[illegible]
SgnlTech	117	[illegible]	7	[illegible]	[illegible]
SilverFds	153	[illegible]	3	3	[illegible]
[illegible]	250	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	116	[illegible]	[illegible]	[illegible]	[illegible]
SPDR	15652	[illegible]	[illegible]	[illegible]	[illegible]
SP Mid	2325	[illegible]	[illegible]	[illegible]	[illegible]
StevnsA	184	[illegible]	2	2	[illegible]
Sulcus	285	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	131	[illegible]	[illegible]	[illegible]	[illegible]
TabPrd	246	[illegible]	[illegible]	[illegible]	[illegible]
Tecie	445	[illegible]	[illegible]	[illegible]	[illegible]
Technitrl	286	[illegible]	[illegible]	[illegible]	[illegible]
TelDta	2818	[illegible]	[illegible]	[illegible]	[illegible]
TexBiotch	2189	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	410	[illegible]	[illegible]	[illegible]	[illegible]
TexMer	5183	[illegible]	[illegible]	12	[illegible]
Thrmed	1491	[illegible]	[illegible]	[illegible]	[illegible]
ThCr s	3606	[illegible]	[illegible]	[illegible]	[illegible]
ThmFb s	506	17	[illegible]	[illegible]	[illegible]
Thrlnst	1441	[illegible]	[illegible]	[illegible]	[illegible]
ThrOpkn	548	13	[illegible]	[illegible]	[illegible]
ThrmRe	137	[illegible]	[illegible]	[illegible]	[illegible]
ThrSen n	247	[illegible]	[illegible]	[illegible]	[illegible]
ThrSpecn	199	[illegible]	14	[illegible]	[illegible]
ThmTer	177	[illegible]	12	12	[illegible]
ThrVolt	419	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotse	1565	[illegible]	24	[illegible]	[illegible]
Thrmtrxn	128	[illegible]	[illegible]	[illegible]	[illegible]
Thrmotr	560	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1328	[illegible]	[illegible]	[illegible]	[illegible]
TollPd	558	10	[illegible]	[illegible]	[illegible]
TownCty	450	[illegible]	1	1	[illegible]
TWA wt	128	[illegible]	[illegible]	[illegible]	[illegible]
TWA n	6584	[illegible]	[illegible]	[illegible]	[illegible]
Transcis	312	6	[illegible]	6	[illegible]
TrnsMed n	937	[illegible]	22	[illegible]	[illegible]
Trnitech	493	[illegible]	[illegible]	[illegible]	[illegible]
TubMex	453	[illegible]	[illegible]	[illegible]	[illegible]
TurnB B	926	[illegible]	[illegible]	[illegible]	[illegible]
US Alc	1850	[illegible]	[illegible]	[illegible]	[illegible]
UTI Ene	779	[illegible]	[illegible]	[illegible]	[illegible]
Unapix	150	[illegible]	[illegible]	[illegible]	[illegible]
Unilab	1191	[illegible]	[illegible]	[illegible]	[illegible]
Unimar	274	[illegible]	[illegible]	[illegible]	—
UniqMbl	109	4	[illegible]	[illegible]	—
USBio wt	318	[illegible]	[illegible]	[illegible]	[illegible]
USBioSci s	2159	[illegible]	[illegible]	[illegible]	[illegible]
US Cell	184	[illegible]	29	[illegible]	[illegible]
UnRefV	156	[illegible]	[illegible]	[illegible]	[illegible]
Uranim s	261	[illegible]	[illegible]	[illegible]	[illegible]
Viacom	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ViacB	26587	[illegible]	[illegible]	34	[illegible]
Viac wtC	1052	[illegible]	[illegible]	[illegible]	[illegible]
Viac wtE	493	2	[illegible]	[illegible]	[illegible]
Vicon	117	4	[illegible]	[illegible]	[illegible]
Virronic	915	[illegible]	[illegible]	[illegible]	[illegible]
WRIT	288	[illegible]	16	16	[illegible]
Weldtrn	306	1	[illegible]	1	[illegible]
WIRET	178	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	222	[illegible]	[illegible]	[illegible]	[illegible]
WirelssT s	5227	[illegible]	13	14	[illegible]
ecWilTch	972	[illegible]	5	[illegible]	[illegible]
WEBAstlan	350	[illegible]	[illegible]	[illegible]	[illegible]
WEB HK n	138	[illegible]	[illegible]	[illegible]	[illegible]
WEB Itan	125	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn n	283	[illegible]	[illegible]	15	[illegible]
WEB Spn n	143	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	2304	[illegible]	[illegible]	[illegible]	[illegible]
Xytron	553	[illegible]	2	2	[illegible]
Cotton	745	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	148	[illegible]	[illegible]	[illegible]	[illegible]
CenterT s	1481	[illegible]	[illegible]	[illegible]	[illegible]
CFCda g	207	[illegible]	[illegible]	[illegible]	[illegible]
CentSe	144	[illegible]	[illegible]	23	[illegible]
ChadThr s	178	[illegible]	[illegible]	[illegible]	[illegible]
CheySoft	8604	[illegible]	[illegible]	[illegible]	[illegible]
Chief	986	[illegible]	[illegible]	[illegible]	[illegible]
Chief pf	280	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	128	10	[illegible]	10	[illegible]
Cognitm	119	[illegible]	[illegible]	[illegible]	[illegible]
ColLB	1393	[illegible]	[illegible]	[illegible]	[illegible]
CatuEng	243	[illegible]	[illegible]	[illegible]	[illegible]
Comforce	520	[illegible]	[illegible]	[illegible]	[illegible]
CommA n	1184	[illegible]	[illegible]	[illegible]	[illegible]
CommA wt	[illegible]	[illegible]	4	[illegible]	[illegible]
CompTch	215	[illegible]	[illegible]	[illegible]	[illegible]
CmpMam n	353	[illegible]	[illegible]	[illegible]	[illegible]
Complek	417	[illegible]	[illegible]	[illegible]	[illegible]
CrockRT	610	[illegible]	[illegible]	[illegible]	[illegible]
Cross	962	[illegible]	[illegible]	[illegible]	[illegible]
ecCrwnL	243	[illegible]	[illegible]	[illegible]	[illegible]
Cycomm s	667	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	1981	[illegible]	[illegible]	[illegible]	[illegible]
Dakamet	1750	[illegible]	[illegible]	[illegible]	[illegible]
Daloram	184	6	6	6	[illegible]
Dazor	459	[illegible]	[illegible]	11	[illegible]
DayMn n	171	[illegible]	[illegible]	[illegible]	[illegible]
DevnE	750	[illegible]	[illegible]	27	[illegible]
Digicon	561	[illegible]	17	[illegible]	[illegible]
DigiCT	111	[illegible]	[illegible]	[illegible]	[illegible]
Diodes	190	[illegible]	[illegible]	7	[illegible]
DrylMu	210	[illegible]	[illegible]	[illegible]	[illegible]
Ducom	235	[illegible]	[illegible]	13	[illegible]
EZ Serv	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	4885	[illegible]	[illegible]	[illegible]	[illegible]
Edisto	352	10	[illegible]	[illegible]	[illegible]
Edlek	1768	[illegible]	[illegible]	[illegible]	[illegible]
ElPasoE n	351	[illegible]	[illegible]	[illegible]	[illegible]
EmerR	838	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	188	[illegible]	10	10	[illegible]
EnzoBi	2157	[illegible]	[illegible]	[illegible]	[illegible]
Epitope	685	[illegible]	[illegible]	[illegible]	[illegible]
Equesil	128	[illegible]	14	14	[illegible]
[illegible]	489	6	[illegible]	[illegible]	[illegible]
Fibrbd	277	[illegible]	[illegible]	[illegible]	[illegible]
FirstFd s	589	14	13	[illegible]	[illegible]
FtAust	640	[illegible]	[illegible]	[illegible]	[illegible]
FAusPr	2683	[illegible]	[illegible]	[illegible]	[illegible]
FtEmp	175	243	[illegible]	[illegible]	[illegible]
Fiber	172	[illegible]	[illegible]	[illegible]	[illegible]
ForstL	1688	[illegible]	[illegible]	[illegible]	[illegible]
FortPet	516	[illegible]	[illegible]	[illegible]	[illegible]
FountPw	159	[illegible]	[illegible]	11	[illegible]
FrnkSel	173	[illegible]	[illegible]	[illegible]	[illegible]
FrqEl	130	[illegible]	[illegible]	[illegible]	[illegible]
Frequnts	510	[illegible]	[illegible]	[illegible]	[illegible]
GA Frcl n	650	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	1880	[illegible]	[illegible]	[illegible]	[illegible]
Gamco	357	[illegible]	[illegible]	[illegible]	[illegible]
GaylCn	3515	[illegible]	[illegible]	[illegible]	[illegible]
GnAuto	995	[illegible]	[illegible]	[illegible]	[illegible]
GnEmp	221	[illegible]	[illegible]	[illegible]	[illegible]
GenvDr	305	[illegible]	[illegible]	[illegible]	[illegible]
MAI Sy n	280	[illegible]	[illegible]	[illegible]	[illegible]
Magellan	3463	[illegible]	[illegible]	[illegible]	[illegible]
MagmPet	677	[illegible]	[illegible]	4	[illegible]
MedmPh n	4369	[illegible]	[illegible]	[illegible]	[illegible]
MedmP wt	3092	[illegible]	[illegible]	[illegible]	[illegible]
MedcR	190	[illegible]	9	[illegible]	[illegible]
Medeva	197	15	[illegible]	[illegible]	[illegible]
Media	350	[illegible]	[illegible]	[illegible]	[illegible]
MediaLog	189	[illegible]	[illegible]	[illegible]	[illegible]
Media	212	[illegible]	6	[illegible]	[illegible]
Metromda	6136	[illegible]	[illegible]	[illegible]	[illegible]
Microtel	408	1	[illegible]	[illegible]	[illegible]
MidAB	123	[illegible]	[illegible]	[illegible]	[illegible]
Miramr	139	[illegible]	[illegible]	[illegible]	[illegible]
MonP pfA	120	[illegible]	[illegible]	[illegible]	[illegible]
MonP pfC	140	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	140	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1808	[illegible]	[illegible]	[illegible]	[illegible]
Munivst	185	[illegible]	[illegible]	[illegible]	[illegible]
Mylnd	115	[illegible]	[illegible]	[illegible]	[illegible]
NTNCom	2221	[illegible]	[illegible]	[illegible]	[illegible]
Nabors	3463	[illegible]	[illegible]	[illegible]	[illegible]
NatRev	222	[illegible]	[illegible]	[illegible]	[illegible]
NtPatnt s	221	[illegible]	[illegible]	[illegible]	[illegible]
NatAR	172	[illegible]	[illegible]	[illegible]	[illegible]
NY Times	1410	31	[illegible]	[illegible]	[illegible]
NA Vacc	4785	[illegible]	[illegible]	[illegible]	[illegible]
Novavx n	265	[illegible]	5	[illegible]	[illegible]
OSulivC	120	[illegible]	[illegible]	11	[illegible]
OmniMult	215	[illegible]	[illegible]	[illegible]	[illegible]
Oncor	558	[illegible]	[illegible]	[illegible]	[illegible]
Oncormd	217	6	[illegible]	[illegible]	[illegible]
Orange s	4901	[illegible]	[illegible]	16	[illegible]
PC Quote	793	[illegible]	[illegible]	[illegible]	[illegible]
PGECap pf	118	[illegible]	24	[illegible]	[illegible]
PLC Sys	4515	18	[illegible]	[illegible]	[illegible]
PMC CT	381	[illegible]	[illegible]	[illegible]	[illegible]
PacGulf	327	17	[illegible]	17	[illegible]
PWDYn wt	307	[illegible]	9	9	[illegible]
Pegasus	719	[illegible]	[illegible]	[illegible]	[illegible]
PegGld	468	[illegible]	[illegible]	[illegible]	[illegible]
Phnet	476	5	[illegible]	[illegible]	[illegible]
PhnRsc	2486	[illegible]	[illegible]	[illegible]	[illegible]
Polymed	234	[illegible]	[illegible]	[illegible]	[illegible]
Polyvisn	185	[illegible]	1	[illegible]	[illegible]
Portsys	302	[illegible]	[illegible]	[illegible]	[illegible]
PrmdLa	2897	[illegible]	[illegible]	[illegible]	[illegible]
ProCm	327	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	170	[illegible]	[illegible]	[illegible]	[illegible]
ProsCT	853	[illegible]	[illegible]	[illegible]	[illegible]
PsycCp	243	[illegible]	[illegible]	[illegible]	[illegible]
edPvrsco	333	[illegible]	[illegible]	1	[illegible]
RF Pwr	240	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	1497	17	[illegible]	17	[illegible]
Riser	308	[illegible]	[illegible]	[illegible]	[illegible]
Rotonic	202	[illegible]	[illegible]	[illegible]	[illegible]
RoyalO g	3673	4	[illegible]	[illegible]	[illegible]
Rymac	220	[illegible]	[illegible]	[illegible]	[illegible]
SOI s	320	[illegible]	[illegible]	[illegible]	[illegible]
SabaPet	400	[illegible]	14	14	[illegible]
SalMSFT	130	108	[illegible]	[illegible]	[illegible]
SalSNPL	154	[illegible]	[illegible]	[illegible]	[illegible]
Service	427	[illegible]	[illegible]	[illegible]	[illegible]

INTERNATIONAL FUTURES

July 11, 1996

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	3.46	3.31	3.39	+0.08	7,134
Sep 96	4.21¼	4.09	4.21¼	+0.12	78,321
Dec 96	3.71¼	3.60¾	3.71¼	+0.12	174,475
Mar 97	3.76½	3.64½	3.76½	+0.12	27,521
May 97	3.80	3.74	3.80	+0.12	6,016
Est. sales N.A. Wed's. sales 59,273					
Wed's open int 305,842 up 227					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jul 96	258.20	249.00	256.90	+8.80	6,518
Aug 96	256.80	247.00	255.40	+8.60	22,481
Sep 96	254.90	246.00	253.80	+8.90	11,360
Oct 96	251.00	244.50	250.30	+9.30	6,002
Dec 96	248.80	242.00	248.80	+10.00	24,242
Jan 97	249.40	243.00	248.70	+9.30	2,954
Est. sales N.A. Wed's. sales 26,418					
Wed's open int 77,104 up 128					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jul 96	26.06	25.40	25.95	+0.77	2,929
Aug 96	26.28	25.47	26.04	+0.77	28,794
Sep 96	26.40	25.65	26.26	+0.79	13,725
Oct 96	26.60	25.90	26.43	+0.80	8,487
Dec 96	27.04	26.30	26.86	+0.81	30,953
Jan 97	27.12	26.50	27.08	+0.80	2,565
Est. sales N.A. Wed's. sales 25,261					
Wed's open int 83,434 up 1104					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	8.28	7.98	8.27¼	+0.30¾	4,106
Aug 96	8.22	7.92	8.22	+0.30	34,401
Sep 96	8.02½	7.72½	8.02¼	+0.30	11,008
Nov 96	7.87½	7.57½	7.87½	+0.30	108,180
Jan 97	7.95¼	7.76	7.95¼	+0.30	8,840
Est. sales N.A. Wed's. sales 63,925					
Wed's open int 180,175 up 3668					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Jul 96	5.11½	4.94	5.05½	+0.14¼	3,017
Sep 96	5.12	4.91½	5.06	+0.14	32,744
Dec 96	5.19	5.00	5.13	+0.14	28,568
Mar 97	5.17	5.02	5.12½	+0.15¼	4,607
Est. sales N.A. Wed's. sales 17,387					
Wed's open int 71,186 off 415					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 96	67.90	66.82	66.90	−0.75	33,760
Oct 96	69.65	68.95	69.15	−0.52	28,712
Dec 96	66.87	66.25	66.40	−0.52	13,199
Feb 97	65.30	64.82	64.82	−0.48	12,614
Apr 97	67.55	67.20	67.25	−0.30	4,177
Jun 97	66.47	66.25	66.27	−0.23	1,530
Est. sales 14,749 Wed's. sales 13,089					
Wed's open int 95,552 up 294					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	62.12	61.02	61.10	−1.02	7,019
Sep 96	61.40	60.40	60.45	−1.00	2,917
Oct 96	61.40	60.20	60.40	−1.05	5,650
Nov 96	62.70	61.60	61.65	−1.05	2,578
Jan 97	64.35	63.35	63.45	−0.90	1,125
Mar 97	64.15	63.45	63.45	−0.85	813
Est. sales 4,035 Wed's. sales 3,151					
Wed's open int 20,918 off 312					
HOGS-Live(1/97 Lean) (CMER) 40,000 lbs.- cents per lb					
Jul 96	58.90	58.27	58.35	+0.15	3,211
Aug 96	56.85	55.85	56.30	−0.58	12,700
Oct 96	53.95	52.95	53.45	+0.55	9,363
Dec 96	56.15	54.95	55.90	+0.83	7,535
Feb 97	78.10	76.85	78.05	+1.03	2,213
Apr 97	75.90	75.10	75.90	−0.70	646
Est. sales 8,225 Wed's. sales 8,073					
Wed's open int 36,626 up 1067					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Jul 96	85.40	85.40	85.40	+2.00	1,327
Aug 96	82.30	82.30	82.30	+2.00	3,648
Feb 97	82.22	81.00	82.22	+2.00	1,160
Mar 97	82.60	81.00	82.60	+1.90	37
May 97	83.47	81.20	83.47	+2.00	70
Jul 97			82.35	+0.95	3
Est. sales 1,154 Wed's. sales 2,570					
Wed's open int 6,267 off 51					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Jul 96	1345	1335	1335	−5	88
Sep 96	1401	1380	1383	−5	30,485
Dec 96	1430	1414	1416	−1	15,999
Mar 97	1449	1436	1441	+2	15,065
May 97	1455	1455	1456	−2	6,678
Est. sales 6,457 Wed's. sales 5,962					
Wed's open int 81,252 off 453					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Jul 96	122.20	120.50	122.00	+2.00	449
Sep 96	116.70	115.00	116.20	−0.15	14,789
Dec 96	111.75	110.50	111.10	−0.25	5,457
Mar 97	108.90	108.25	108.35	−0.60	2,096
Est. sales 5,150 Wed's. sales 6,384					
Wed's open int 23,440 off 217					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb					
Oct 96	11.77	11.61	11.68	−0.04	70,932
Mar 97	11.31	11.22	11.26	−0.02	37,267
May 97	10.97	10.92	10.95	−0.04	14,919
Jul 97	10.69	10.63	10.64	−0.01	11,550
Est. sales 11,062 Wed's. sales 11,517					
Wed's open int 140,436 up 61					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jul 96	123.00	120.00	115.20	−6.30	503
Sep 96	118.70	110.50	110.70	−6.95	10,699
Nov 96	116.50	110.70	110.70	−5.00	2,687
Jan 97	115.40	110.00	110.00	−5.00	3,897
Est. sales N.A. Wed's. sales 3,873					
Wed's open int 18,628 up 392					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jul 96			384.00	+1.40	7
Aug 96	385.70	383.40	384.60	+1.20	86,741
Sep 96			385.90	+1.20	157
Oct 96	387.90	386.30	387.30	+1.20	7,583
Dec 96	390.50	388.90	389.90	+1.20	40,595
Feb 97	391.80	391.80	392.50	+1.20	8,846
Apr 97	395.00	394.80	395.00	+1.10	3,778
Jun 97	397.50	397.00	397.60	+1.00	8,689
Est. sales N.A. Wed's. sales 30,699					
Wed's open int 197,599 up 128					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jul 96	90.10	88.00	88.25	−2.40	3,805
Aug 96	89.40	87.90	88.10	−2.10	2,187
Sep 96	90.30	86.50	87.30	−2.40	19,294
Oct 96			86.70	−2.60	1,281
Nov 96			86.70	−2.40	1,088
Dec 96	88.10	86.00	86.60	−2.15	12,033
Jan 97	87.80	87.50	86.50	−2.05	859
Feb 97	87.80	86.80	86.40	−2.05	717
Mar 97	87.80	86.10	86.35	−2.00	5,186
Est. sales N.A. Wed's. sales 5,206					
Wed's open int 56,226 up 81					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jul 96	510.0	506.0	509.8	+3.3	165
Aug 96			511.6	+3.0	2
Sep 96	516.0	510.0	514.5	+3.0	57,518
Dec 96	524.0	519.0	522.8	+3.0	22,402
Jan 97			526.2	+3.0	20
Mar 97	532.0	526.5	531.2	+3.0	6,238
May 97			536.5	+3.0	5,412
Jul 97	543.0	543.0	541.9	+3.0	4,092
Est. sales N.A. Wed's. sales 13,337					
Wed's open int 98,375 up 296					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jul 96	392.00	392.00	391.00		367
Oct 96	395.50	394.10	394.90		21,356
Jan 97	398.10	397.50	397.60		2,525
Apr 97	401.00	399.50	400.30		2,242
Jul 97	404.00	404.00	403.30	−0.20	54
Est. sales N.A. Wed's. sales 1,794					
Wed's open int 26,544 off 409					

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1432½	1433½	1466.00	1467.00
Forward	1468.00	1469.00	1503.00	1504.00
Copper Cathodes (High Grade)				
Spot	1907.00	1912.00	1985.00	1990.00
Forward	1854.00	1855.00	1923.00	1924.00
Lead				
Spot	780.00	781.00	793.00	794.00
Forward	783.00	784.00	794.00	795.00
Nickel				
Spot	7215.00	7225.00	7405.00	7415.00
Forward	7325.00	7330.00	7520.00	7525.00
Tin				
Spot	6275.00	6285.00	6320.00	6330.00
Forward	6320.00	6326.00	6365.00	6370.00
Zinc (Special High Grade)				
Spot	993½	994½	998.00	999.00
Forward	1021.00	1021½	1026.00	1027.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Sep 96	94.71	94.61	94.65	+0.04	5,908
Dec 96	94.51	94.37	94.48	+0.08	1,439
Mar 97	94.31	94.30	94.30	+0.11	164
Est. sales 1,854 Wed's. sales 496					
Wed's open int 7,511 off 165					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	105-045	104-195	104-31	+ 045	165,452
Dec 96			104-16	+ 045	4,102
Est. sales 55,500 Wed's. sales 45,155					
Wed's open int 169,754 off 1996					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	106-17	105-24	106-08	+ 07	283,344
Dec 96	105-28	105-08	105-21	+ 07	13,841
Mar 97	105-10	105-07	105-10	+ 07	224
Est. sales 110,000 Wed's. sales 76,327					
Wed's open int 297,410 up 655					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 96	108-06	106-25	107-24	+ 09	446,160
Dec 96	107-23	106-13	107-07	+ 09	18,811
Mar 97	107-06	106-02	106-27	+ 09	2,846
Jun 97	106-25	106-08	106-15	+ 09	1,132
Est. sales 500,000 Wed's. sales 302,839					
Wed's open int 469,016 off 5239					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 96	107-04	106-20	107-04	+ 0-10	132,253
Dec 96	N.T.	N.T.	106-09	+ 0-10	522
Est. sales: 36,522. Prev. sales: 48,266					
Prev. open int.: 132,775 up 4,388					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 96	95.80	95.47	95.79	+ 0.22	196,105
Dec 96	94.75	94.62	94.89	+ 0.23	6,726
Est. sales: 9,985 Prev. sales: 9,902					
Prev. open int.: 71,616 off 192					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 96	121.78	121.56	121.66	−0.04	169,032
Dec 97	120.44	120.28	120.32	−0.04	28,803
Mar 97	120.20	120.00	120.08	−0.04	1,991
Est. volume: 106,803. Open Int.: 199,826 up 4,621.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 96	117.38	117.07	117.28	+ 0.06	63,641
Dec 96	116.50	116.50	116.42	+ 0.06	2,020
Est. sales: 26,687. Prev. sales: 39,752					
Prev. open int.: 65,661 off 112					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jul 96	94.410	94.310	94.350	+20	21,027
Aug 96	94.270	94.190	94.260	+50	8,177
Sep 96	94.190	94.080	94.150	+40	404,803
Dec 96	93.900	93.760	93.870	+70	437,052
Mar 97	93.740	93.580	93.700	+70	294,335
Jun 97	93.550	93.390	93.500	+60	236,609
Sep 97	93.400	93.260	93.360	+60	202,677
Mar 00	92.760	92.650	92.730	+30	33,138
Est. sales 600,452 Wed's. sales 396,225					
Wed's open int 2,519,302 off 4721					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 96	1.5576	1.5508	1.5534	+8	58,834
Dec 96			1.5548	+8	1,089
Mar 97			1.5568	+8	6
Est. sales 7,881 Wed's. sales 7,785					
Wed's open int 59,929 up 1145					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 96	.7322	.7304	.7317	−3	30,585
Dec 96	.7335	.7320	.7332	−3	4,078
Mar 97			.7344	−3	452
Jun 97	.7350	.7350	.7351	−3	371
Est. sales 4,586 Wed's. sales 2,171					
Wed's open int 35,595 off 1141					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 96	.6610	.6569	.6599	+16	53,383
Dec 96	.6645	.6618	.6639	+16	2,218
Mar 97			.6682	+16	311
Jun 97			.6723	+16	1
Est. sales 15,398 Wed's. sales 7,955					
Wed's open int 55,913 off 1212					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 96	.009166	.009126	.009151	−8	78,949
Dec 96	.009278	.009245	.009268	−8	3,917
Mar 97			.009385	−8	135
Est. sales 11,688 Wed's. sales 10,167					
Wed's open int 83,001 up 181					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 96	.8017	.7948	.8000	+38	36,190
Dec 96	.8076	.8035	.8060	+38	1,274
Mar 97			.8125	+38	95
Est. sales 11,725 Wed's. sales 5,703					
Wed's open int 37,564 off 557					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 96	94.31	94.29	94.30	−0.01	87,527
Dec 96	94.23	94.19	94.21	−0.02	90,566
Mar 97	93.94	93.89	93.92	−0.01	62,960
Jun 97	93.50	93.46	93.48	Unch.	45,105
Sep 97	93.07	93.03	93.05	Unch.	29,860
Dec 97	92.71	92.68	92.70	Unch.	24,469
Mar 98	92.46	92.43	92.45	Unch.	17,449
Jun 98	92.30	92.26	92.29	Unch.	13,018
Sep 98	92.17	92.15	92.17	+ 0.01	9,140
Dec 98	92.06	92.04	92.06	+ 0.01	9,235
Mar 99	91.97	91.95	91.98	+ 0.03	2,801
Jun 99	91.86	91.86	91.87	+ 0.02	1,375
Est. sales: 46,886. Prev. sales: 55,803					
Prev. open int.: 393,585 up 5,067					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 96	96.60	96.54	96.60	+ 0.05	195,322
Dec 96	96.41	96.34	96.41	+ 0.05	212,288
Mar 97	96.09	95.99	96.09	+ 0.06	194,341
Jun 97	95.72	95.61	95.72	+ 0.07	111,438
Sep 97	95.34	95.23	95.33	+ 0.06	90,497
Dec 97	94.99	94.89	94.99	+ 0.06	69,912
Mar 98	94.69	94.60	94.69	+ 0.07	40,951
Jun 98	94.39	94.32	94.39	+ 0.05	30,372
Sep 98	94.17	94.07	94.13	+ 0.04	20,422
Dec 98	93.86	93.83	93.90	+ 0.06	20,040
Mar 99	93.69	93.63	93.69	+ 0.06	17,598
Jun 99	93.48	93.42	93.49	+ 0.05	6,467
Est. sales: 155,058. Prev. sales: 186,539					
Prev. open int.: 1,008,948 up 4,175					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 96	96.04	95.99	96.02	+0.00	70,080
Dec 96	95.85	95.80	95.83	+0.00	45,679
Mar 97	95.59	95.56	95.58	+0.01	25,483
Jun 97	95.36	95.32	95.34	+0.01	16,165
Sep 97	95.10	95.07	95.09	+0.02	12,441
Dec 97	94.84	94.81	94.83	+0.02	8,689
Mar 98	94.60	94.57	94.60	+0.03	8,390
Jun 98	94.35	94.32	94.34	+0.03	5,634
Sep 98	94.12	94.12	94.12	+0.02	3,906
Dec 98	93.91	93.90	93.91	+0.03	4,113
Mar 99	93.76	93.67	93.69	+0.03	7,793
Jun 99	N.T.	N.T.	93.49	+0.00	1,744
Est. volume: 34,537. Open Int.: 210,317 up 3,850.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 96	91.72	91.66	91.70	Unch.	59,517
Dec 96	92.18	92.13	92.16	+ 0.02	35,630
Mar 97	92.35	92.28	92.34	+ 0.03	22,095
Jun 97	92.36	92.31	92.35	+ 0.05	13,028
Sep 97	92.24	92.21	92.23	+ 0.05	6,242
Dec 97	92.09	92.06	92.08	+ 0.04	3,424
Est. sales: 23,840. Prev. sales: 42,382					
Prev. open int.: 138,956 up 3,761					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 96	73.15	71.25	72.71	+0.63	7,875
Dec 96	74.00	72.20	73.61	+0.86	34,594
Mar 97	75.23	73.87	74.95	+0.47	7,542
May 97	75.70	74.70	75.70	+0.35	5,336
Jul 97	76.40	75.60	76.40	+0.35	3,914
Oct 97	76.75	76.75	77.25	+0.30	922
Est. sales N.A. Wed's. sales 8,779					
Wed's open int 63,147 up 1405					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Aug 96	56.90	55.65	56.60	+1.01	31,573
Sep 96	57.10	56.00	56.90	+0.97	15,892
Oct 96	57.30	56.40	57.15	+0.87	6,754
Nov 96	57.40	56.75	57.40	+0.77	8,122
Dec 96	57.75	57.00	57.75	+0.77	20,997
Jan 97	57.75	57.00	57.75	+0.72	8,480
Feb 97	57.05	56.23	56.85	+0.52	4,895
Mar 97	55.25	54.60	54.80	+0.22	2,156
Apr 97	52.85	52.48	52.85	+0.27	1,561
May 97	51.80	50.88	51.80	+0.82	1,312
Est. sales N.A. Wed's. sales 20,531					
Wed's open int 106,094 up 2441					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Aug 96	21.98	21.53	21.93	+0.38	82,043
Sep 96	21.22	20.84	21.19	+0.34	51,623
Oct 96	20.52	20.21	20.48	+0.25	37,559
Nov 96	19.95	19.72	19.94	+0.19	24,930
Dec 96	19.60	19.35	19.60	+0.19	30,897
Jan 97	19.27	19.14	19.25	+0.08	23,005
Feb 97	19.01	18.92	18.98	+0.01	19,486
Mar 97	18.83	18.75	18.79	−0.01	12,027
Apr 97	18.65	18.55	18.65	−0.01	7,404
May 97	18.50	18.44	18.50	−0.01	5,742
Jun 97	18.40	18.27	18.38	−0.02	17,924
Jul 97	18.27	18.25	18.27	−0.04	5,896
Aug 97	18.18	18.15	18.18	−0.05	2,536
Est. sales N.A. Wed's. sales 71,908					
Wed's open int 375,896 up 3499					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Aug 96	2.800	2.686	2.696	−81	36,508
Sep 96	2.805	2.720	2.724	−79	24,724
Oct 96	2.740	2.660	2.669	−72	20,147
Nov 96	2.720	2.660	2.662	−73	12,717
Dec 96	2.750	2.680	2.690	−67	15,658
Jan 97	2.750	2.680	2.685	−68	12,113
Feb 97	2.600	2.500	2.500	−105	7,134
Mar 97	2.400	2.310	2.300	−105	4,891
Apr 97	2.230	2.190	2.200	−30	2,812
May 97	2.140	2.100	2.100	−40	2,691
Jun 97	2.100	2.080	2.080	−35	2,739
Est. sales N.A. Wed's. sales 38,434					
Wed's open int 161,474 off 1760					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Aug 96	64.70	63.00	64.50	−1.39	25,530
Sep 96	63.25	61.75	63.15	+1.22	14,377
Oct 96	60.00	59.10	59.70	−0.52	4,431
Nov 96	57.80	56.95	57.60	+0.25	1,767
Dec 96	56.50	56.00	56.35	+0.20	1,608
Jan 97	55.80	55.10	55.25	−0.40	1,158
Est. sales N.A. Wed's. sales 24,113					
Wed's open int 49,793 up 1618					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
July 96	180.00	178.75	178.75	Unch.	3,953
Aug 96	178.00	174.25	177.50	+4.00	21,623
Sep 96	175.25	172.00	174.75	+3.25	9,442
Oct 96	173.50	171.00	173.25	+2.75	4,146
Nov 96	172.25	172.00	172.25	+2.25	1,836
Dec 96	171.50	169.75	171.50	+2.00	9,042
Jan 97	170.00	168.50	170.25	+2.00	2,029
Feb 97	165.75	165.75	167.25	+2.00	484
Mar 97	162.75	162.75	164.00	+1.75	1,640
Apr 97	159.75	159.75	161.00	+1.50	1,700
May 97	N.T.	N.T.	158.25	+1.25	134
Jun 97	N.T.	N.T.	156.50	+1.25	1,962
Est. sales:18,146. Open int.:58,041 off 1,973					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Sep 96	661.45	641.70	651.00	−10.70	175,759
Dec 96	666.70	648.05	658.45	−9.60	7,368
Mar 97	664.50	654.35	658.00	−16.35	1,331
Jun 97	671.00	660.95	671.00	−9.95	5
Est. sales N.A. Wed's sales 88,582					
Wed's open int 184,454 up 4894					
FTSE 100 (LIFFE) £25 per index point					
Sep 96	3775.0	3766.0	3745.0	− 19.0	54,855
Dec 96	3775.0	3775.0	3766.0	− 18.5	1,531
Est. sales: 10,008. Prev. sales: 11,487					
Prev. open int.: 58,386 off 269					
CAC 40 (MATIF) FF200 per index point					
Jul 96	2096.0	2073.0	2077.0	− 12.50	31,225
Aug 96	2100.5	2083.0	2083.0	− 13.00	2,558
Sep 96	2109.0	2091.5	2090.0	− 12.50	20,248
Dec 96	2125.5	2117.0	2110.5	− 12.50	4,321
Mar 97	N.T.	N.T.	2131.5	− 12.50	4,649
Sep 97	N.T.	N.T.	2120.0	− 12.50	4,710
Mar 98	N.T.	N.T.	2173.0	− 13.50	2,070
Est. volume: 14,073. Open Int.: 69,780 off 1,433.					

Commodity Indexes

	Close	Previous
Moody's	1,525.30	1,527.80
Reuters	1,987.40	1,991.90
D.J. Futures	145.76	145.04
CRB	250.78	249.86

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U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5582.96	5603.65	5469.93	5520.54	−83.11
Trans	2106.91	2107.85	2056.76	2073.89	−31.10
Util	216.18	216.32	213.40	215.06	−1.40
Comp	1807.19	1811.42	1771.03	1786.42	−25.08

Standard & Poors

	High	Low	Close	Chg.
Industrials	779.79	759.57	767.06	−12.73
Transp.	504.98	492.76	498.45	−6.39
Utilities	193.57	191.80	193.13	−0.39
Finance	65.48	63.73	64.33	−1.15
SP 500	656.06	639.52	645.67	−10.39
SP 100	633.42	616.70	622.93	−10.49

NYSE

	High	Low	Last	Chg.
Composite	351.76	343.72	346.64	−5.11
Industrials	448.20	437.32	441.26	−6.94
Transp.	324.88	317.16	320.13	−4.69
Utility	248.70	245.25	247.33	−1.43
Finance	289.11	282.40	284.38	−4.73

Nasdaq

	High	Low	Last	Chg.
Composite	1129.38	1096.69	1106.61	−34.58
Industrials	1053.78	1021.46	1029.97	−33.03
Banks	1058.33	1048.79	1051.34	−8.38
Insurance	1238.73	1222.51	1238.73	−11.00
Finance	1275.94	1268.90	1263.63	−13.71
Transp.	864.97	848.33	853.08	−13.03

AMEX

High	Low	Last	Chg.
561.82	547.41	549.09	−12.72

Dow Jones Bond

	Close	Chg.
20 Bonds	101.13	unch.
10 Utilities	97.83	+0.08
10 Industrials	104.43	− 0.09

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
MicrnT	146829	[illegible]	[illegible]	[illegible]	[illegible]
UHlthCr	142232	[illegible]	30	31	[illegible]
HewlPk	113857	[illegible]	[illegible]	[illegible]	[illegible]
Motorola	92082	[illegible]	[illegible]	[illegible]	[illegible]
LSI Log	65320	22	[illegible]	[illegible]	[illegible]
AetnaLf	63663	[illegible]	[illegible]	[illegible]	[illegible]
IBM	56882	[illegible]	[illegible]	[illegible]	[illegible]
Compaq	50141	46	[illegible]	[illegible]	[illegible]
K mart	48726	[illegible]	[illegible]	[illegible]	[illegible]
AT&T	42544	[illegible]	[illegible]	[illegible]	[illegible]
EMC	42245	[illegible]	[illegible]	[illegible]	[illegible]
Digital	37899	[illegible]	[illegible]	[illegible]	[illegible]
NewbNk	37794	58	[illegible]	[illegible]	[illegible]
Cmplvsn	36752	[illegible]	[illegible]	[illegible]	[illegible]
EKodak	34602	[illegible]	[illegible]	[illegible]	[illegible]

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	188209	72	[illegible]	[illegible]	[illegible]
Cisco s	171604	[illegible]	[illegible]	[illegible]	[illegible]
US HlthC	132304	[illegible]	[illegible]	[illegible]	[illegible]
OddlHl s	118592	34	[illegible]	[illegible]	[illegible]
SunMic s	117997	[illegible]	[illegible]	[illegible]	[illegible]
Microsoft	88005	[illegible]	[illegible]	[illegible]	[illegible]
Atmel s	75456	[illegible]	26	[illegible]	[illegible]
Oracle s	68877	[illegible]	[illegible]	[illegible]	[illegible]
AOscal s	60804	[illegible]	[illegible]	8	[illegible]
US Robt s	56483	[illegible]	[illegible]	[illegible]	[illegible]
Gymbree	53648	[illegible]	[illegible]	[illegible]	[illegible]
DelCpt s	53398	[illegible]	[illegible]	[illegible]	[illegible]
AcldMd s	51446	[illegible]	28	[illegible]	[illegible]
Macrmd s	47971	[illegible]	[illegible]	[illegible]	[illegible]
3Com s	47740	45	[illegible]	[illegible]	[illegible]

AMEX

	Vol.	High	Low	Last	Chg.
ViacB	26587	[illegible]	[illegible]	34	[illegible]
SPDR	15652	[illegible]	[illegible]	[illegible]	[illegible]
IvaxCp	12166	15	[illegible]	[illegible]	[illegible]
CheySoft	8604	[illegible]	[illegible]	[illegible]	[illegible]
Atari	7815	[illegible]	[illegible]	[illegible]	[illegible]
Ampex n	6773	[illegible]	[illegible]	[illegible]	[illegible]
TWA n	6584	[illegible]	[illegible]	[illegible]	[illegible]
Metromda	6136	[illegible]	[illegible]	[illegible]	[illegible]
WirelssT s	5227	[illegible]	13	14	[illegible]
TexMer	5183	[illegible]	[illegible]	12	[illegible]

Trading Activity

NYSE

	Close	Prev.
Advanced	529	1040
Declined	2021	1406
Unchanged	643	740
Total issues	3193	3186
New Highs	25	41
New Lows	134	67

Nasdaq

	Close	Prev.
Advanced	869	1314
Declined	3219	2596
Unchanged	1496	1672
Total issues	5584	5582
New Highs	31	58
New Lows	309	103

AMEX

	Close	Prev.
Advanced	112	201
Declined	497	375
Unchanged	153	181
Total issues	762	757
New Highs	10	18
New Lows	33	18

Market Sales

	Today Close	Prev. cons.
NYSE	516.46	507.39
Amex	26.28	31.16
Nasdaq	652.75	538.01

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Cdn REIT	g	.22	7-24	7-31
Puget	-	.3525	7-2	8-15
STOCK SPLIT				
BkAtlantic Bncp B 5 for 4 split				
MidSouth Bncp 4 for 3 split.				
INCREASED				
Ford Motor	Q	.385	8-2	9-3
Miss Valley Bncsh	Q	.125	9-15	9-30
WPS Resources	Q	.475	8-30	9-20
REDUCED				
Equity Inco AT&T	M	.226	7-15	8-1
REGULAR				
Banyan Strat Rlty	Q	.10	7-23	8-20
Century Bncp A	Q	.04	8-1	8-15
Crown Pac Partner	Q	.524	7-19	8-14
FCNB Corp	Q	.14	7-19	7-31
FFLC Bancorp	Q	.10	7-22	8-5
Fedl Signal	Q	.145	8-21	9-4
Fidelity Natl	Q	.0375	7-10	7-17
Giant Food	Q	.19	8-2	8-30
Grace, WR	Q	.125	8-14	9-9
Greenbler Cos	Q	.06	7-23	8-14
Heritage US Gv	M	.087	7-19	7-25
Hughes Supply	Q	.09	8-2	8-16
Idaho Power	Q	.465	7-25	8-20
JSB Fincl	Q	.30	8-7	8-21
Kaneb Pipe	Q	.55	7-29	8-14
Le Grp Videotron	Q	.05	9-1	9-21
MBNA Corp	Q	.16	9-16	10-1
Movado Group	Q	.03	7-19	7-31
Occidental Petrol	Q	.25	9-10	10-15
Ogden Corp	Q	.3125	9-13	10-4
Parker Hannifin	Q	.18	8-22	9-6
Schulman A.	Q	.095	7-29	8-7
Smithfield Cos	Q	.05	8-2	8-30
Stlwstn Energy	Q	.06	7-19	8-5
Washington Post	Q	1.15	7-26	8-9

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cld - called.
d - new yearly low.
e - dividend declared or paid in preceding 12 months.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
P/E - price-earnings ratio.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

EUROPE

Banks Lend 600 Million DM To Help Recharge Babcock

Bloomberg Business News

FRANKFURT — Deutsche Babcock AG said Thursday its banks had agreed to provide 600 million Deutsche marks ($393.3 million) in additional credit toward a "drastic" reorganization of the unprofitable plant and machinery maker.

On Tuesday, the company said that it expected a loss of 400 million DM for its 1996 financial year and that it planned to return to profit by 1998 after the reorganization. It blamed the expected loss primarily on costs for reorganization and losses at some non-core divisions.

The company said its banks and insurers were "positive" about the reorganization, which includes plans to sell its special-machinery unit Schumag AG so it can concentrate on its core factory and machinery businesses.

The company has provided few details of its plans so far, other than to say they would include job cuts and factory closings.

Babcock said it would release further details in coming weeks.

The new credit, reorganization and expected improvements in the German economy should help Babcock recover, said Hans-Georg Springer, a fund manager at Frankfurt-Trust.

"I think they'll survive," he said. "But it will be difficult for the management." Mr. Springer said he would not buy Deutsche Babcock shares, though, because "the company has always been disappointing."

Babcock's banks, on the other hand, are optimistic, said Reinhard Parthe, a spokesman for Westdeutsche Landesbank Girozentrale.

"The new financing has given them a good foundation," he said.

Deutsche Babcock shares rose 3.30 DM, to 69.80 DM.

Like several other German engineering companies, Babcock has suffered because of the weak economy in Germany so far this year.

The company said its expected loss was also due to poor sales results in several areas. Among the poor performers were its electric-motors unit, A. Friedrich Flender AG, and its fittings and pipelines businesses.

In response, Babcock said it was concentrating on its core factory and engineering activities, which it has said are profitable.

The company said it would close two plants in Eastern Germany: Magdeburger Armaturenwerke GmbH and Borsig Kugelhahn GmbH, both parts of its systems-engineering business.

German Bank Shares Rise

Does Deutsche Purchase Signal a Consolidation?

Compiled by Our Staff From Dispatches

FRANKFURT — German bank stocks soared for a second day Thursday on speculation that consolidation would come to the sector after Deutsche Bank AG raised its stake in one of its smaller rivals.

Deutsche Bank, Germany's largest bank, said Wednesday that it had increased its holding in Bayerische Vereinsbank AG to 5.21 percent. Vereinsbank shares rose 4.25 Deutsche marks to 48.60 DM ($31.74) on Thursday after rising almost 7 percent Wednesday.

Deutsche Bank stock rose 2.05 DM to 75.15 DM.

Despite Deutsche Bank's move, most analysts said they did not think it was taking over its smaller rival.

"I would be surprised if Deutsche Bank tries to take over anything," said Bill Vincent, an analyst with Schroder Securities Ltd. in London. "It's too difficult to get the cost savings out in Germany."

Ian McEwen of Lehman Brothers said he did not think a takeover would happen because "the public, press and political reaction would be negative." He said the move might be an attempt to defend against the powerful financial grouping of the insurer Allianz AG Holding, Dresdner Bank AG and Bayerische Hypotheken- & Wechselbank AG.

Allianz owns a 22.3 percent stake in Dresdner Bank and a 22.6 percent stake in Hypobank as part of an agreement under which the companies sell each others' products.

Mr. McEwen said Deutsche Bank might try to prevent other banks from taking over Vereinsbank.

"Vereinsbank would like to link up with Commerzbank and that would create a large pan-German bank to balance out Deutsche Bank," he said. "Deutsche wouldn't like that much, so my reading is they are taking leverage on a preemptive basis."

Some analysts raised their ratings on German banks, while others said the banking-sector rally was just a short-lived correction, since the sector had been lagging the overall market. *(Bloomberg, AFX, Reuters)*

Paris Bourse Aims To Be a Big Player

Cross-Border Trading Is Key

By Max Berley
International Herald Tribune

PARIS — The Paris stock exchange is scrambling to ensure that it becomes one of Europe's principal financial centers in the new borderless European trading space that will accompany the single currency in 1999.

In recent years, battered by small volume and high interest rates, the Paris Bourse has known only anemic growth. But the prospect of open trading across European borders is expected to bring broad reforms and guarantee it a prominent position in the European financial landscape.

"The Paris Bourse, along with the other European exchanges, is now confronted with a challenge," said Gérard de la Martinière, the chairman of the annual Europlace conference, which is meeting this week in Paris and is devoted to promoting the Bourse as an international marketplace.

"Until now, we had a unipolar network of exchanges in Europe that functioned country by country, and a powerful and established international exchange in London," he said. "The challenge ahead is to make the Paris Bourse an important exchange in Europe and internationally."

But the Paris Bourse faces an uphill struggle to catch up with its more prominent European competitors. With 2.77 trillion francs in volume in 1995, Paris is dwarfed by London, which had a total capitalization of 6.74 trillion francs in 1995, and, to a lesser degree, by Frankfurt, which racked up volume of 2.96 trillion francs.

Market operators and regulators are counting on the European Investment Services Directive enacted by the European Commission three years ago to give new life to the market.

The directive allows European securities houses to trade anywhere in Europe and will be fully enacted in all European countries by Jan. 1, 1999, at the same time that the single currency takes effect.

The French Parliament adopted the legislation on July 2, and Finance Minister Jean Arthuis said Thursday that it could be put into effect by late September.

Mr. de la Martinière said Paris was positioning itself to profit from the opening of the European trading space and could be one of the big winners in the race for European business.

The French financial markets, he said, have much hidden value that could be shifted to the stock market in the near future.

He said French fund managers control 7.2 trillion francs in assets, with only 2.5 billion francs placed in mutual funds. Only a fraction of this, however, is invested in the stock market.

The arrival of the single currency could unlock some of this capital as European governments, having met the Maastricht criteria for European monetary union, lower interest rates and make the capital markets less attractive.

"Right now, economic policies are designed around diplomatic goals," Mr. de la Martinière said, referring to the strict fiscal policies France and Germany have followed in order to meet the Maastricht criteria.

"But once the single currency is achieved, economic policies will be devised in accordance with the economic cycle."

In addition, the French government is currently studying proposals to create pension funds. Although the idea of pension funds has been under examination by the government for five years, Mr. de la Martinière said he thought the issue was likely to be resolved soon.

At first, pension funds will only untap a trickle of new cash, but within three years they are expected to increase market capitalization by up to 40 to 50 billion francs a year.

The French markets are also taking steps to draw fresh foreign capital. On Thursday, Mr. Arthuis unveiled a tax reform package that considerably lightens the tax load of foreign workers in the financial sector who work in France, which is intended to draw operators away from London, where similar measures are already in effect.

Power Firms To Offer Swiss Phone Service

Bloomberg Business News

ZURICH — Six Swiss electrical power suppliers have formed a new company, Diax AG, to provide telephone services when Switzerland's 12 billion-franc ($9.5 billion) telecommunications market is deregulated in 1998.

Diax said that preparations "for an alliance with a leading international telecom partner are to be concluded by the end of the year."

It is the third venture to be announced this year seeking to compete with state-owned Swiss Telecom PTT, which controls domestic public phone services and phone lines, and with other companies seeking to grab a share of the telecommunications market as it is thrown open to competition.

Diax said that it seeks to provide services for private and business clients in the areas of telephony, mobile telephony, data transmission and computer networks.

Like the railways, the electric companies already have an internal fiber-optic network that could be used for transmission.

Switzerland plans to deregulate its telecommunications market in 1998 in line with European Union member states, even though it is not an EU member.

Somerfield Values Itself at £540 Million

Bloomberg Business News

LONDON — Somerfield PLC, the No. 5 supermarket chain in Britain, said Thursday that it had set an indicative price range for its initial public offering next month of 180 pence ($2.79) to 190 pence per share and appointed Andrew Thomas as nonexecutive chairman.

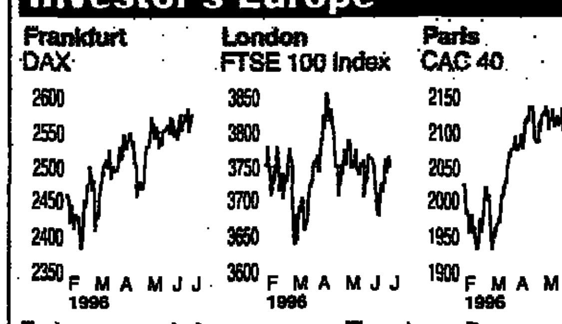
The price values the company at £540 million to £570 million.

In its prospectus, Somerfield said it would sell 300,000 shares, with at least 60,000 going to private investors. The final share price will be announced July 26.

The company said it would use the proceeds to pay down much of its £400 million debt. The reduced interest payments will provide it with the necessary cash flow to continue its recovery plans.

"We are only part of the way through our turnaround program and we have a clear strategy for continued growth," Chief Executive David Simons said.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	549.38	554.52	-0.93
Brussels	Stock Exchange	9,403.36	9,447.23	-0.46
Frankfurt	DAX	2,575.54	2,567.43	+0.32
Copenhagen	Stock Market	413.76	413.32	+0.11
Helsinki	HEX General	2,037.93	2,033.26	+0.23
Oslo	OBX	465.77	466.51	-0.16
London	FTSE 100	3,749.00	3,765.80	-0.45
Madrid	Stock Exchange	366.16	368.24	-0.56
Milan	MIBTEL	10,391.00	10,437.00	-0.44
Paris	CAC 40	2,073.66	2,081.85	-0.39
Stockholm	SX 16	1,998.96	2,019.69	-1.03
Vienna	ATX	1,085.62	1,085.43	+0.02
Zurich	SPI	2,443.87	2,432.32	+0.47

Source: Telekurs — International Herald Tribune

Very briefly:

- **The Dutch Economics Ministry** said new companies had emerged as possible international rescuers of the bankrupt planemaker **Fokker NV** but declined to give names.
- **Quick Restaurants SA** said sales in the first half rose 12 percent, to 9.26 billion Belgian francs ($294.8 million), against a year earlier, adding that full-year profit would also fail to meet forecasts. Fear of "mad cow" disease from eating British beef depressed sales since April, the fast-food chain said.
- **Russia's Central Bank** revoked the licenses of 145 commercial banks during the first half, a top official said.
- **Degussa AG** is reorganizing into decentralized divisions and units in chemical products, health and nutrition, and precious metals and banking.
- **Spanish** unemployment fell by 22,280 in April, lowering the National Statistics Institute rate to 22.56 percent from 22.72 percent. The Labor Ministry rate is 14.85 percent.
- **Argentaria SA** has reorganized its management to emphasize branch banking for individual customers and corporate banking.
- **Ciba-Geigy AG** reported first-half sales of 11.4 billion Swiss francs ($9.03 billion), up 4 percent from the first half of 1995, while sales by its merger partner, **Sandoz AG**, rose 7 percent, to 7.87 billion francs.
- **Rieter Holding AG** of Switzerland said it had acquired **Fimit SpA**, a maker of noise-control components for Italian automakers, for an undisclosed price.
- **Argentaria Corporación Bancaria de España SA** has reorganized its management structure and appointed two new directors as it seeks to better differentiate between its retail and wholesale banking activities.
- **France's** current account surplus shrank 83 percent in April, to a seasonally adjusted 1.75 billion francs ($339.1 million).
- **Seita SA** said it had formed a partnership with Chengdu Cigarette Factory Co. to make low-tar cigarettes in China.
- **Compagnies Européennes Réunies's** 1.02 billion-franc convertible-bond issue has no implications for the company's 28 percent stake in the car-parts maker **Valeo SA**, the deputy chairman of Cerus said.

Reuters, AFX, Bloomberg, Knight-Ridder

WORLD STOCK MARKETS

Thursday, July 11
Prices in local currencies.
Telekurs

Amsterdam
EOE Index: 549.38 — Previous: 554.52

Amsterdam	High	Low	Close	Prev.
ABN-AMRO	89.10	87.10	87.10	88.50
Aegon	81.80	80.60	80.90	81.40
Ahold	92.20	91.40	91.70	91.80
Akzo Nobel	197	194.20	194.20	196.30
Bols Wess cva	28.50	28.10	28.10	28.50
CSM cva	83.20	83	82.60	83.10
Dordtsche Pet	280.90	278.50	280.90	278.10
DSM	158.70	157.40	157.60	158.10
Elsevier	26.80	26.20	26.20	26.40
Fortis Amev	48.90	47.30	47.50	48.50
G-Broc cva	56.20	55.50	55.90	56
Hoogemeyer	132.50	129.50	130.20	132.80
Heineken	381.20	378	378.70	379
Hoogovens	61.20	59.20	59.30	61.20
Hunt Douglas	115.20	114	114	114.10
ING Group	50.20	47.80	47.80	49.50
KLM	55	54.20	54.20	54.90
KNP BT	40.30	40	40	40.20
KPN	63.70	62.50	62.60	62.80
Nedlloyd Gp	39.10	38.20	38.20	38.70
Nutricia	184.50	182	182	184.20
Oce Grinten	174	169.20	169.50	173.20
Pakhoed	46.40	45.90	46.20	46.40
Philips Elec	55.40	54	54.20	54.90
Polygram	95.60	92.50	92.90	95.20
Randstad Hdg	129.90	128	128.90	129.90
Robeco	127	126.70	126.70	126.80
Rodamco	46.90	46.40	46.40	46.50
Rolinco	136.70	136.30	136.30	136.30
Rorento	97.30	97.20	97.20	97
Royal Dutch	265.70	264	264.30	263.40
Stork	49.80	48.50	48.50	49.30
Unilever cva	244.70	243.30	243.40	243.40
VNU	27.30	26.80	26.80	26.90
Wolters Kl cva	194.80	192.50	192.80	193.50

Bangkok
SET Index: 1226.18 — Previous: 1239.99

Bangkok	High	Low	Close	Prev.
Adv Info Svc	384	376	382	384
Bangkok Bk F	356	344	348	356
Krung Thai Bk	119	117	118	118
PTT Explor	358	354	354	360
Siam Cement F	1282	1276	1282	1294
Telecomasia	52.50	51.50	52	52.50
Thai Airways	55	54	55	55
Thai Farm Bk F	296	290	290	296
Thai Teleph	50.50	49.75	50	51
Utd Comm	328	324	326	326

Bombay
Wednesday, July 10 — Sensitive Index: 3671.66 — Previous: 3651.81

Bombay	High	Low	Close	Prev.
Assoc Cement	2400	2221	2355	2246
Grasim Ind	529	509	525	521.25
Hindalco Ind	1180	1151	1170	1181.75
Indust Lever	872	855	864.75	872.25
Indian Hotels	812	780	809.75	805.25
ITC	311.50	305	309.75	309.50
Larsen Toubro	277.25	267	275.50	269
Reliance Ind	179.75	171.50	178.50	174.75
Tata Eng Loco	534.75	526.75	529.50	526.50
Tata Iron St	224.50	217.50	223.25	219.75

Brussels
Stock Exchange Index: 9403.36 — Previous: 9447.23

Brussels	High	Low	Close	Prev.
Arbed	3485	3470	3470	3490
Barco Ind	5150	5100	5100	5120
BBL	5890	5750	5750	5800
Bekaert	23700	23325	23475	23525
CBR	2385	2370	2370	2375
CMB	2530	2470	2470	2490
Cockerill	138	134	134	135
Cofinyt	10775	10525	10525	10500
Delhaize Lion	1620	1595	1595	1615
Electrabel	6930	6810	6810	6800
Electrafina	2735	2700	2735	2700
Fortis AG	4115	4085	4085	4080
GIB	1412	1340	1340	1390
GBL	3900	3770	3770	3890
Gen Banque	11000	10700	10725	10950
Glaverbel	3395	3350	3350	3360
Kredietbank	9700	9640	9640	9650
Mosane	2300	2300	2300	2300
Petrofina	9870	9670	9670	9800
Powerfin	4410	4360	4410	4395
Recticel	310	318	310	308
Royale Belge	5860	5760	5760	5850
Soc Gen Belg	2370	2330	2330	2335
Solvay	18750	18525	18525	18625
Tessenderlo	11150	11050	11050	11100
Tractebel	13000	12875	12875	12775
UCB	58750	57750	57750	57800
Union Miniere	2350	2295	2295	2300

Copenhagen
Stock Index: 413.76 — Previous: 413.32

Copenhagen	High	Low	Close	Prev.
Carlsberg B	345	340.55	343	345
Danisco	310.40	306.75	307	308
Den Danske Bk	395	391	394	392
D/S Svendbrg A	190500	190000	190500	188000
D/S 1912 A	132500	132000	132500	130500
East Asiatic Co	127	119	120	120
FLS Ind B	635	625	635	630
ISS Intl Svc B	137	134	135	135
Nvo Nordisk B	853	842	853	845
Radiometer B	380	375	378	375
Sophus Ber B	801.20	793	801.20	795
Tele Danmk B	293	283.54	289	291
Unidanmark A	272	269	269	270

Frankfurt
DAX: 2575.54 — Previous: 2567.43

Frankfurt	High	Low	Close	Prev.
AMB	965	945	965	940
AEG	159.50	159.50	159.20	168
Allianz Hdg	2659	2633	2659	2600
Altana	1132	1119	1132	1136
Asko Deutsche	1180	1150	1180	1161
Badenwerk	560	560	560	560
BASF	43.90	43.70	43.90	44.16
Bayer Hypo Bk	42.85	41.60	42.85	39.62
Bay.Vereinsbank	48.75	47.80	48.60	44.35
Bayer	52.65	52.27	52.35	52.36
Berliner Kraft	439.80	432	439.80	437.50
BHF Bank	42.23	41.80	42.05	39.50
BMW	885	877	877.50	891.50
CKAG Colonia	1170	1150	1150	1140
Commerzbank	337.50	334.70	336.30	325.30
Daimler Benz	80.80	79.85	79.95	81.10
Degussa	518	514.50	514.50	519
Deutsche Bank	75.15	74.28	75.15	73.10
Dresdner Bank	40.45	40.15	40.35	39.36
Heidelbg Zmt	1035	1030	1035	1045
Henkel	62.40	61.80	61.86	62.70
Hochtief	678	668	671	660
Hoechst	53.45	52.77	53.20	52.50
Holzmann Ph.	409	401	401	406
Karstadt	570	560	560	575
Kaufhof Hdg	586	573.50	585	580
Linde	959	955	959	962
Lufthansa ord	213	211.50	211.50	217
MAN	383.50	377	382.80	382
Mannesmann	540.50	533	536.30	534.70
Muench Rueck	3180	3130	3145	3170
Preussag	376	369	369.70	380
PWA	201	198	198	200.50
RWE	57.25	56.30	56.30	57.70
SAP pfd	229	226.80	227.80	229.50
Schering	108	106.40	107	108.20
Schmalb Lub	277	276	276	277.20
Siemens	80.95	80.67	80.79	81.27
Suedzucker	763	763	763	763
Thyssen	279	275.10	275.10	293
Veba	79.30	78.80	78.85	80.86
VEW	500	485	500	505
Viag	598	580	584	610
Volkswagen	563	555.50	557	562
Wella	857	845	852	869

Helsinki
HEX General Index: 2037.93 — Previous: 2033.26

Helsinki	High	Low	Close	Prev.
Cultor 1	234	231	234	234
Enso R	38.10	38	38	38.10
Huhtamaki IF	157	157	157	158
Kesko	70.90	70.50	70.50	70.50
Kone BF	505	500	500	505
Merita A	10	9.75	9.85	9.90
Metra BF	222	220	221	219
Metso-Serla B	34.30	33.80	34	33.80
Nokia Prf F	172.50	166.50	167.50	167.80
Outokumpu A	78.50	78.50	78.50	78.50
Rautaruukki	37.10	36.60	36.70	36.60
Stockmann A	255	255	255	255
UPM-Kymmene	100	98.90	99	99
Valmet A	76	75.30	75.30	75.30

Hong Kong
Hang Seng: 10921.40 — Previous: 10911.80

Hong Kong	High	Low	Close	Prev.
Amoy Props	9.15	9.05	9.15	9.15
Bk East Asia	28.20	27.90	28	27.90
Cathay Pacific	13.60	13.40	13.40	13.50
Cheung Kong	56	55.25	55.50	55.25
China Light	34.20	33.80	33.80	34.10
Chin Estates	6.95	6.70	6.95	6.75
Citic Pacific	31.40	31.30	31.30	31.20
Cons Elec Pwr	12.30	12.15	12.20	12.25
Dao Heng Bk	31	30.90	31	30.90
First Pacific	12.05	11.75	12.05	11.80
Great Eagle	22.60	22.30	22.55	22.40
Guangdong Inv	4.78	4.65	4.75	4.68
Guoco Group	38.30	37.90	37.90	38.20
Hang Lung	14.35	14.20	14.25	14.35
Hang Seng Bk	77	76.50	76.75	76.50
Henderson Inv	7.40	7.30	7.40	7.40
Henderson Ld	57.75	57	57.50	57.25
HKR Intl	9	8.85	8.85	9
HK Aircraft	22.30	21.70	22.30	21.60
HK China Gas	12.20	12.10	12.15	12.05
HK Electric	24.25	24.15	24.20	24.05
HK Shang Htls	13.20	13.10	13.15	13.10
HK Telecomm	13.45	13.30	13.35	13.40
Hopewell Hldgs	4.18	4.15	4.15	4.15
HSBC Hdgs	122	121	122	121.50
Hutchison Wh	48	47.80	47.90	47.80
Hysan Dev	22.70	22.35	22.35	22.65
Johnson El Hld	17.50	17.40	17.50	17.40
Miramar Hotel	16.10	15.90	16	15.90
Natl Mutual	6.50	6.45	6.50	6.40
New World	35.80	35.50	35.50	35.80
Oriental Press	4.18	4.08	4.15	4.15
Orient Telecom	3.60	3.50	3.50	3.55
Shangri-La	10.65	10.50	10.65	10.60
SHK Props	76.25	75.25	76	75.75
Shun Tak Hdgs	4.78	4.65	4.75	4.65
Sino Land Co.	7.75	7.65	7.75	7.70
Sth China Post	5.10	5	5.10	5.05
Swire Pac A	67	66	66.75	66.50
Tsim Sha Tsui	10	9.85	9.95	9.95
TV Broadcasts	28.80	28.65	28.80	28.70
Wharf Hdgs	27.40	27.10	27.15	27.40
Wheelock	15.10	15.05	15.05	15.10

Jakarta
Composite Index: 579.49 — Previous: 577.94

Jakarta	High	Low	Close	Prev.
Astra Intl	2500	2500	2500	2500
Bank Intl	1425	1375	1400	1350
Gudang Garm	9250	9075	9075	9225
Indah Kiat	2175	2125	2150	2175
Indocement	7700	7500	7500	7700
Indofood	10200	10100	10200	10200
Indorayon	2150	2150	2150	2150
Indosat	7550	7475	7500	7450
Kalbe Farma	4950	4600	4650	4800
Sampoerna	25550	25000	25300	25300

Johannesburg
All Market: 6891.34 — Previous: 6937.85

Johannesburg	High	Low	Close	Prev.
AngloAm-Corp	271.75	270	270	272
AngloAm Gold	401	399.50	400	403.50
AngloAm Ind	161	158.50	160.50	161
Barlow	45.65	45.40	45.55	45.65
C.G. Smith	22.60	22.25	22.25	22.60
De Beers	150	149.25	149.50	150
Driefontein	62.50	61	61	63
Freegold	48.40	47	47.80	48
Fst Natl Bk	29.35	29	29	29.40
Gencor	16	15.90	15.90	16.10
GFSA	135	133	133	135
Iscor	3.23	3.16	3.18	3.24
Johnnies Ind	58.50	58	58	58.50
Kloof Gold	48.25	47.50	47.50	48.25
Liberty Life	139.50	138.50	139	138
Minorco	100.75	99.75	100	101
Nedcor	65	64.75	64.75	64.75
Rembrandt Gp	41	39.75	39.75	40.65
Richemont	69	67.50	67.50	68.25
Rust Platinum	67.75	67	67	67.75
SA Breweries	129.75	127.50	127.50	129.50
Sappi	45.95	45.28	45.20	46
Sasol	45.40	44.50	44.90	45.40
SBIC	171	170	170	172
Tiger Oats	62	60	60	62

Kuala Lumpur
Composite: 1137.97 — Previous: 1132.13

Kuala Lumpur	High	Low	Close	Prev.
Genting	19.70	19.50	19.50	19.70
Hicom Hldgs	7.20	7	7.20	7.05
Mal Banking	24.40	24.30	24.40	24.40
Mal Intl Ship F	7.60	7.55	7.60	7.60
Public Bank F	5.15	5.10	5.15	5.15
Resorts World	13.80	13.70	13.70	13.70
Sime Darby	7.25	7.15	7.25	7.20
Telekom Mal	21.10	21	21	21
Tenaga	10.50	10.40	10.50	10.40
Utd Engineers	17.30	17.20	17.20	17.20

London
FT-SE 100: 3749.00 — Previous: 3765.80

London	High	Low	Close	Prev.
Abbey Natl	5.80	5.71	5.71	5.79
Allied Domecq	4.49	4.38	4.38	4.49
Anglian Water	5.67	5.45	5.46	5.55
Arjo Wiggins	1.88	1.71	1.83	1.86
Asda Group	1.21	1.19	1.21	1.20
Assoc Br Foods	4.07	4.04	4.04	4.06
BAA	4.77	4.68	4.73	4.73
Barclays	8.01	7.91	7.93	7.96
Bass	8.37	8.20	8.21	8.33
BAT Ind	4.92	4.83	4.84	4.91
Bank Scotland	2.47	2.44	2.46	2.46
BICC	3.22	3.12	3.18	3.20
Blue Circle	3.73	3.70	3.71	3.68
BOC Group	9.51	9.33	9.38	9.38
Boots	6.07	5.82	5.82	5.93
Bowater	3.66	3.60	3.61	3.64
BPB Ind	3.46	3.38	3.45	3.39
Brit Aerosp	9.71	9.58	9.61	9.57
Brit Airways	5.48	5.32	5.43	5.46
Brit Gas	1.89	1.85	1.87	1.85
Brit Petm	6.03	5.95	5.97	5.98
Brit Steel	1.78	1.69	1.70	1.71
Brit Telecom	3.55	3.46	3.48	3.51
BTR	2.45	2.41	2.41	2.43
Burmah Cast	10.30	10.20	10.20	10.23
Cable Wireless	4.79	4.07	4.07	4.17
Cadbury Schw	5.11	5.05	5.05	5.08
Caradon	2.16	2.11	2.11	2.16
Carlton Comm	4.96	4.85	4.87	4.94
Coats Viyella	1.76	1.73	1.73	1.75
Comml Union	5.78	5.66	5.69	5.67
Courtaulds	4.32	4.27	4.31	4.30
De La Rue	6.13	6.05	6.10	6.12
Eng China Cl	2.66	2.60	2.61	2.68
Enterprise Oil	4.80	4.76	4.77	4.77
Fors Colonial	1.58	1.55	1.56	1.57
Genl Accident	6.52	6.39	6.41	6.42
GEC	3.86	3.54	3.83	3.88
GKN	10.45	10.33	10.38	10.33
Glaxo	9	8.85	8.96	8.94
Granada Gp	8.40	8.32	8.33	8.36
Grand Met	4.47	4.37	4.40	4.36
GRE	2.40	2.36	2.37	2.39
Guinness	4.73	4.65	4.68	4.71
GUS	6.61	6.30	6.40	6.70
Hanson	1.70	1.65	1.66	1.70
Hillsdown Hdg	1.76	1.72	1.74	1.73
HSBC Hldgs	10.20	10.07	10.07	10.16
ICI	8.15	8.04	8.11	7.98
Inchcape	2.88	2.83	2.84	2.85
Kingfisher	6.43	6.36	6.36	6.40
Ladbroke	1.91	1.87	1.87	1.89
Land Sec	6.27	6.20	6.22	6.25
Laporte	7.14	7.06	7.14	7.09
Lasmo	1.75	1.74	1.74	1.75
Legal Genl Grp	6.93	6.84	6.88	6.81
Lloyds Abbey	5.26	5.20	5.22	5.26
Lloyds TSB Gp	3.45	3.36	3.39	3.41
London Elec	6.07	6	6	6.11
Lucas Ind	2.28	2.18	2.25	2.21
Marks Spencer	4.93	4.83	4.83	4.87
MEPC	4.16	4.09	4.14	4.08
Mercury Asset	9.66	9.60	9.60	9.63
Midlands Elec	4.20	4.17	4.17	4.17
Natl Power	5.38	5.30	5.31	5.34
NatWest	6.50	6.33	6.34	6.47
News Intl	4.06	3.99	3.99	4.15
Utd Utilities	5.55	5.50	5.55	5.50
Nthern Foods	1.89	1.84	1.88	1.84
P&O	4.99	4.86	4.90	4.89
Pearson	6.47	6.40	6.44	6.45
Pilkington	1.85	1.81	1.83	1.82
PowerGen	4.81	4.77	4.78	4.77
Prudential	4.23	4.14	4.16	4.16
Rank Org	4.83	4.70	4.70	4.82
Reckitt Coln	6.92	6.85	6.86	6.91
Redland	4.18	4.11	4.12	4.16
Reed Intl	11.31	11.07	11.11	11.21
Rentokil	4.21	4.17	4.19	4.22
Reuters Hdgs	7.75	7.56	7.58	7.70
RMC Group	10.78	10.63	10.75	10.62
Rolls Royce	2.29	2.25	2.26	2.25
Royal Bk Scot	5.03	4.94	4.94	4.98
RTZ reg	9.48	9.37	9.38	9.58
Royal Insur	4.12	4.04	4.04	4.06
Safeway	3.38	3.34	3.34	3.34
Sainsbury	3.90	3.66	3.66	3.68
Schroders	13.35	13.15	13.15	13.20
Scot Newcastle	6.62	6.53	6.57	6.66
Scot Power	3.13	3.07	3.07	3.08
Sears	0.98	0.96	0.96	0.98
Severn Trent	5.38	5.32	5.34	5.35
Shell Trsp reg	9.50	9.44	9.46	9.43
Siebe	9.40	9.33	9.35	9.31
Smith Nephew	2.08	2.06	2.07	2.06
Smith (WH)	4.93	4.72	4.90	4.88
SmithKline	7.12	7.05	7.05	7.10
Smiths Ind	7.02	6.95	6.95	6.97
Sthern Elec	7	6.94	6.94	6.97
Stand Charter	6.56	6.49	6.53	6.53
Sun Alliance	3.87	3.81	3.81	3.81
Tate & Lyle	4.73	4.68	4.68	4.71
Tesco	3.02	2.97	2.99	3
Thames Water	5.68	5.60	5.64	5.67
Thorn EMI	18.10	17.80	17.80	18.03
3i Group	4.43	4.38	4.38	4.38
TI Group	5.50	5.35	5.35	5.42
Tomkins	2.72	2.67	2.70	2.64
Unilever	12.65	12.49	12.49	12.57
Utd Biscuits	2.24	2.20	2.21	2.20
Utd News	6.68	6.63	6.67	6.66
Vendome uts	6.22	6.20	6.20	6.20
Vodafone	2.38	2.32	2.32	2.37
Whitbread	7.32	7.26	7.28	7.31
Williams Hdgs	3.33	3.29	3.33	3.31
Wolseley	4.47	4.43	4.47	4.40
Zeneca	14.45	14.30	14.30	14.43

Madrid
Bolsa Index: 366.16 — Previous: 368.24

Madrid	High	Low	Close	Prev.
Acerinox	12930	12670	12720	12930
ACESA	1460	1445	1450	1445
Argentaria	5540	5360	5360	5520
BBV	5410	5350	5390	5400
Banesto	817	809	815	814
Bankinter	14380	14050	14320	14250
Bco Centro Hisp	2560	2520	2535	2570
Bco Exterior	2925	2900	2980	2925
Bco Popular	22250	22110	22240	22300
Bco Santander	6060	5970	6020	6050
CEPSA	4180	4130	4160	4175
Corp Mapfre	6370	6250	6300	6300
Dragados	1695	1675	1680	1690
Endesa	7680	7540	7580	7650
FECSA	995	987	987	990
Fomento Const	10390	10180	10200	10400
Gas Natural	25870	25600	25810	25820
Hidrool Cantab	4355	4320	4340	4355
Iberdrola	1265	1245	1260	1265
Pryca	3140	3040	3080	3100
Repsol	4475	4430	4435	4455
Sevillana Elec	1115	1090	1100	1115
Tabacalera	6470	6310	6410	6390
Telefonica	2275	2235	2250	2270
Union Fenosa	796	790	792	793
Valenc Cement	1490	1420	1460	1485

Manila
PSE Index: 3226.82 — Previous: 3272.87

Manila	High	Low	Close	Prev.
Ayala A	26.50	26	26.50	26.50
Ayala Land	48	47	47.50	48
Manila Elec A	149	142	143	149
Metro Bank	745	740	740	745
Petron	11.50	10.75	10.75	11.25
Phil Long Dist	1600	1590	1595	1600
San Miguel A	43	42	42.50	43
San Miguel B	86.50	86	86	86
SM Prime Hdg	6.80	6.70	6.80	6.90

Mexico
Bolsa Index: 3856.29 — Previous: 3887.48

Mexico	High	Low	Close	Prev.
Alfa A	32.80	31.50	32.00	32.55
Cemex B	28.80	27.90	28.30	28.60
Cifra C	10.56	10.40	10.52	10.54
Empresas ICA	102.10	99.00	101.00	102.90
Emp Moderna	33.20	33.15	33.15	33.50
Femsa	20.95	20.50	20.60	20.60
Gpo Carso A1	52.00	51.30	52.00	51.60
Televisa CPO	104.80	102.00	103.40	105.80
TelMex L	12.34	12.10	12.14	12.40
Tribasa	18.00	17.60	17.60	18.30

Milan
MIB Telematico: 10391.00 — Previous: 10437.00

Milan	High	Low	Close	Prev.
Alleanza Assic	13590	13300	13375	13490
Bca Comm Ital	3125	3060	3085	3070
Bca Naz Agricol	880	865	880	880
Bca Naz Lavoro	10990	10900	10990	10930
Bca di Roma	1420	1392	1416	1389
Bca Ambrosian	4245	4120	4245	4165
Benetton	20500	20250	20400	20350
Credito Italiano	1818	1764	1818	1778
Fiat	5130	5090	5130	5140
Fondiaria	7310	7160	7160	7285
Generali Assic	36550	35950	36100	36300
IFIL	4535	4455	4520	4440
Italcementi	11985	11600	11610	11800
Italgas	5745	5690	5735	5700
Mediobanca	9490	9200	9340	9460
Montedison	878	863	866	872
Olivetti	879	856	870	880
Pirelli	2570	2470	2490	2530
RAS	15680	15125	15295	15475
Rinascente	10520	10430	10495	10500
S Paolo Torino	9450	9400	9410	9400
SME	2255	2250	2250	2250
Standa	16900	16500	16500	17000
Stet	5150	5050	5080	5125
Telecom Italia	3160	3120	3155	3150
Toro Assic	18590	18250	18250	18640

Montreal
Industrials Index: 2582.21 — Previous: 2544.79

Montreal	High	Low	Close	Prev.
Alco I	19.10	19.05	19.10	19.20
Bank Montreal	33¾	33.60	33.60	33.80
Bce Mob Com	44½	44½	44½	44.40
Cdn Tire A	17¾	17.60	17¾	17.55
Cdn Util A	27.35	27¼	27.35	27.15
Cascades	5.80	5¾	5.80	5.80
CT Finl Svc	26.05	26.05	26.05	26.05
Extendicare	16.90	16.90	16.90	17
Gaz Metro	15.40	15.35	15.40	15.35
Gt-West Lifeco	34¼	34	34	34
Hees Intl Bcp	15.90	15.70	15.90	15.80
Hudsons Bay	20.45	20.05	20¼	20½
Imasco	28.30	27¾	28.05	28¼
Investors Grp	18	18	18	17.85
Loblaw Cos	11¾	11¾	11¾	11.30
Molson A	22½	22.30	22.35	22.45
Natl Bk Canada	11.45	11.35	11.35	11.45
Oshawa A	20.90	20.90	20.90	20¾
Pancdn Petlm	53¼	52¼	52¾	54.10
Power Corp	21¾	21.55	21.65	21.60
Power Finl	37.90	37.85	37.90	37½
Quebecor B	21.35	21.05	21.05	21.35
Rogers Comm B	12.30	12¼	12¼	12½
Royal Bk Cda	33.90	33¾	33.80	33.80
Sears Canada	7.70	7.40	7.40	7.70
Shell Cda A	46.70	46.05	46.70	46¼
Southam	16.45	16.20	16.20	16.45
Stelco A	6.20	6.10	6.10	6.20
Trilon Finl A	5.40	5.35	5.35	5.35

Oslo
OBX Index: 465.77 — Previous: 466.51

Oslo	High	Low	Close	Prev.
Aker A	136.50	134.50	136.50	137
Bergesen Dy B	129	128	128	130
Christiania Bk	15.90	15.60	15.90	15.60
Den norske Bk	19.80	19.70	19.80	19.70
SAS Norge ASA	73.50	72.50	72.50	73
Dyno Indust	145	144	145	145
Elkem	97	95.50	96	95.50
Hafslund A	48.50	48	48	48.50
Kvaerner	296	293.50	293.50	293.50
Leif Hoegh	116	115	115	113
Norsk Hydro	313	310	310.50	314.50
Norske Skog A	211.50	209	211	210
Orkla	348	344	345	348
Rieber B	137.50	137	137.50	137
Saga Petm B	90.50	89.50	89.50	90
Schibsted	86	84	85.50	85
UniStorebr A	31.90	30.40	31.80	31.50

Paris
CAC-40: 2073.66 — Previous: 2081.85

Paris	High	Low	Close	Prev.
Accor	708	694	696	702
AGF	138.70	136.80	138	137
Air Liquide	895	885	887	890
Alcatel Alsth	440	429	430	436.10
Axa	288	283	283.70	280.50
Bancaire	575	567	569	571
BNP	192.50	182.20	189.80	181.10
Bouygues	567	548	548	562
Canal Plus	1198	1175	1176	1191
Carrefour	2770	2702	2712	2736
CCF	250.90	243.70	248.10	242.10
Credit Local cl	452.70	446	447.80	447.40
Credit Lyon PC	138	125	136.50	135
Crown Cork Seal	234.90	221	234.90	222.10
Danone	790	781	782	787
Elf-Aquitaine	373	367	367.10	373
Eridania BS	774	760	761	774
Euro Disney	13.75	13.45	13.45	13.75
Eurotunnel uts	8.05	7.65	8	7.70
Gen. Eaux	552	541	543	545
Havas	380.90	375.30	379	377.50
Lafarge Cop	315	310.20	310.60	314.10
Legrand	865	858	858	857
L'Oreal	1619	1580	1587	1614
LVMH	1245	1209	1210	1233
Lyon. Eaux	487.50	480	481.80	485.70
Michelin B	258.50	253.60	254.40	256.10
Navig Mixte	756	756	756	756
Paribas A	314	300.50	314	300.50
Pechiney SA	213.40	210.40	210.60	211.60
Pernod Ricard	321.40	318	318	323
Peugeot Cit	636	623	625	635
Pinault-Print	1699	1660	1664	1693
Promodes	1457	1420	1436	1439
Renault	128	125	125.30	127
Rh-Poulenc A	132.40	130	131.60	131.70
Roussel-Uclaf	1234	1210	1218	1227
Sanofi	384	376.60	380.10	381.50
Schneider	255.50	250	250.50	255
Ste Generale	585	563	582	559
St Gobain	673	657	659	665
St Louis	1330	1309	1319	1326
Suez	187	183	184.70	182.80
Thomson CSF	142	138.30	139	137.40
Total B	373.40	371.50	372	371
UAP	108	104.30	104.50	105.90
Valeo	280	274.50	275	275.80

São Paulo
Bovespa Index: 64228.20 — Previous: 64447.10

São Paulo	High	Low	Close	Prev.
Bco Brasil Pfd	9.05	8.85	9.05	8.82
Banespa Pfd	3.60	3.35	3.60	3.66
Bradesco Pfd	8.35	8.25	8.30	8.40
Brahma Pfd	645.00	633.00	641.00	635.00
Cemig Pfd	29.00	28.40	28.50	28.55
CESP Pfd	30.11	29.48	29.50	29.80
Eletrobras B	269.00	261.00	262.00	264.00
Itaubanco Pfd	420.00	418.00	418.00	425.00
Light	268.00	267.50	267.50	267.00
Paranapanem Pfd	7.10	7.00	7.00	7.08
Petrobras Pfd	128.50	124.00	124.50	128.00
Sid Nacional	26.50	26.10	26.10	26.10
Souza Cruz	8.20	8.16	8.16	8.20
Telebras Pfd	79.77	78.20	79.30	78.90
Telesp Pfd	226.00	220.00	220.00	225.00
Usiminas Pfd	1.11	1.09	1.09	1.12
CVRD Pfd	19.50	18.95	19.00	19.35

Seoul
Composite Index: 847.39 — Previous: 858.79

Seoul	High	Low	Close	Prev.
Daewoo Heavy	6820	6680	6700	6820
Hyundai Eng	35000	34200	34200	35100
Hyundai Motor	30800	30400	30400	30800
Korea El Pwr	28800	28400	28500	28800
Korea Mob Tel	734000	709000	709000	720000
LG Electronics	17300	16600	16600	17100
Pohang Iron St	52300	51200	51500	51500
Samsung Elec	70800	68500	68800	70600
Samsung Hvy	12700	12300	12300	12700
Yukong	23200	22000	22000	23200

Singapore
Straits Times: 2222.13 — Previous: 2230.42

Singapore	High	Low	Close	Prev.
Cerebos Pac	12.40	12.40	12.40	12.40
City Devlts	10.90	10.60	10.60	10.70
Cycle Carriage	14.20	14.10	14.10	14.10
Dairy Farm Intl*	0.86	0.85	0.85	0.86
DBS	9.45	9.40	9.40	9.45
DBS Land	4.82	4.74	4.82	4.74
Fraser & Neave	14.50	14.40	14.40	14.40
HK Land*	2.26	2.25	2.25	2.26
Hong Leong Fin	3.80	3.80	3.80	3.80
Jard Mathesn*	7.05	7	7.05	7
Jard Strategic*	3.20	3.18	3.18	3.18
Keppel	11.70	11.40	11.50	11.60
Natsteel	2.68	2.60	2.60	2.65
Neptune Orient	1.42	1.40	1.41	1.40
OCBC foreign	16.80	16.50	16.60	16.40
O'Sea Union Bk	6.75	6.70	6.70	6.75
Sembawang	6.40	6.25	6.25	6.30
Sing Airlines F	14.80	14.50	14.50	14.70
Sing Petm	1.73	1.73	1.73	1.72
Sing Press F	27.50	26.60	26.70	27.40
ST Auto F	2.88	2.87	2.87	2.90
ST Ship	2.36	2.36	2.36	2.35
Sing Telecomm	3.62	3.46	3.48	3.56
Straits Steam	4.74	4.70	4.72	4.70
Utd Industrial	1.41	1.40	1.40	1.39
Utd O'Sea Bk F	13.20	13	13.20	13
Wing Tai Hdgs	2.97	2.92	2.92	2.94

*: in U.S. dollars.

Stockholm
SX 16 Index: 1998.96 — Previous: 2019.69

Stockholm	High	Low	Close	Prev.
AGA BF	114	112	112	114
ABB AF	718	707	713	710
AssiDoman F	154	152.50	153	153
Astra AF	276.50	269	270	275
Atlas Copco AF	127	123.50	124	126
Avesta F	62	59.50	59.50	60
Electrolux BF	346	341	341	343
Ericsson BF	140	134.50	134.50	137.50
Hennes BF	673	647	648	667
Incentive AF	360	356	356	357
Investor BF	245.50	243	243	244
Kinnevik BF	197	194	194.50	197.50
MoDo BF	173	171	172	172
Sandvik BF	153	150.50	151	152.50
SCA BF	146	144	144.50	145.50
S-E Banken AF	56	54.50	55	54.50
Skandia Fors F	170.50	168.50	169.50	167
Skanska BF	235	232	233	234
SKF BF	155.50	154	155	155.50
SSAB BF	87	86.50	86.50	86.50
Stora AF	91	89.50	89.50	89.50
Sv Handles AF	139	136	137	138
Sydkraft AF	147	121.50	145	147
Trelleborg BF	85	82	82	83
Volvo BF	149.50	147	147	149

Sydney
All Ordinaries: 2182.90 — Previous: 2201.10

Sydney	High	Low	Close	Prev.
Amcor	8.50	8.34	8.35	8.47
ANZ Bkng	6.10	6.05	6.08	6.04
BHP	17.39	16.94	16.94	17.27
Boral	3.13	3.07	3.07	3.11
Brambles Ind.	17.41	17.24	17.34	17.24
Burns Philp	2.25	2.20	2.21	2.25
CBA	10.40	10.26	10.29	10.35
CC Amatil	14.27	14.20	14.22	14.27
Coles Myer	4.48	4.42	4.42	4.47
Comalco	7.35	7.28	7.28	7.35
CRA Ltd	18.74	18.30	18.38	18.75
CSR	4.40	4.32	4.33	4.36
Fosters Brew	2.17	2.14	2.15	2.17
GIO Australia	3.10	3.04	3.06	3.09
Goodman Fld	1.24	1.23	1.24	1.24
ICI Australia	10.95	10.86	10.86	10.87
John Fairfax	2.63	2.58	2.58	2.62
Lend Lease	19.55	19.42	19.48	19.60
Mayne Nickless	7.40	7.25	7.28	7.40
MIM Hdgs	1.62	1.59	1.59	1.62
Nat Aust Bank	11.57	11.46	11.49	11.51
News Corp	7.22	7.08	7.09	7.15
North Ltd	3.67	3.61	3.64	3.65
Pacific Dunlop	2.87	2.80	2.84	2.84
Pioneer Intl	3.73	3.64	3.66	3.70
Placer Pacific	1.70	1.64	1.65	1.63
Santos	4.54	4.49	4.54	4.48
Southcorp	3.06	3.02	3.03	3.06
Wesfarmers	7.46	7.35	7.35	7.40
Wstn Mining	8.74	8.59	8.59	8.75
Westfield Trt	2.34	2.31	2.31	2.34
Westpac Bkng	5.47	5.40	5.41	5.42
Woodside Pet	7.73	7.66	7.73	7.67
Woolworths	2.93	2.84	2.86	2.90

Taipei
Stock Market Index: 6247.19 — Previous: 6225.59

Taipei	High	Low	Close	Prev.
Asia Cement	49.80	49.10	49.50	49.60
Cathay Life Ins	187	185	186	185
Chang Hwa Bk	153	151	151	151
China Steel	27	26.80	26.80	26.80
China Trust	55	53.50	55	54
Evergreen	52.50	51.50	52.50	51.50
Far East Text	29.80	29.20	29.80	29.20
First Bank	153	151	152	151
Formosa CF	33.80	33.20	33.30	33.40
Hua Nan Bk	139.50	137.50	138	138
Hualon Teljran	24.80	24.60	24.70	24.50
ICBC	90.50	89	89	89
President Ent	47.60	47	47.30	47.20
Taiwan Cemt	57.50	56	57.50	56
Tatung	61	60	60.50	60

Tokyo
Nikkei 225: 21892.58 — Previous: 21770.94

Tokyo	High	Low	Close	Prev.
Ajinomoto	1260	1240	1250	1260
All Nippon Air	1140	1120	1140	1120
Asahi Bank	1250	1240	1250	1230
Asahi Chem	770	762	765	768
Asahi Glass	1280	1270	1270	1280
Bk Tokyo-Mitsu	2370	2330	2340	2370
Bk Yokohama	956	946	948	956
Bridgestone	2080	2050	2080	2060
Canon	2280	2250	2270	2250
Chiba Bank	914	910	914	910
Chubu Elec	2420	2400	2400	2410
Chugoku Elec	2390	2370	2370	2390
Daiei	1280	1270	1270	1270
Daiichi Kang	1910	1880	1890	1910
Daiwa Bank	730	722	730	721
Daiwa House	1680	1670	1670	1690
Daiwa Sec	1330	1310	1320	1340
Fanuc	4140	4080	4140	4120
Fuji Bank	2250	2220	2230	2240
Fuji Photo	3350	3320	3350	3360
Fujitsu	1010	993	1010	990
Hitachi	1050	1020	1050	1020
Honda Motor	2700	2670	2700	2710
IBJ	2530	2490	2530	2540
IHI	523	518	523	518
Itochu	753	744	753	745
Ito-Yokado	6670	6630	6670	6670
JAL	876	852	876	857
Jusco	3630	3580	3620	3660
Kajima	1080	1060	1080	1070
Kansai Elec	2430	2410	2420	2430
Kao	1440	1410	1440	1440
Kawa Steel	383	378	381	380
KDD	11400	10500	11300	10600
Kinki Nipp Ry	785	780	785	782
Kirin Brewery	1300	1280	1300	1300
Kobe Steel	300	295	297	297
Komatsu	1050	1030	1040	1050
Kubota	696	685	696	688
Kyocera	7590	7510	7550	7550
Kyushu Elec	2420	2400	2410	2400
LTCB	804	797	800	811
Marubeni	573	566	572	570
Marui	2340	2300	2340	2330
Matsu Elec Ind	2000	1980	2000	1990
Matsu Elec Wk	1170	1160	1170	1160
Mitsubishi	1450	1440	1450	1440
Mitsubishi Ch	514	504	512	503
Mitsubishi El	768	749	768	758
Mitsubishi Est	1490	1460	1480	1460
Mitsubishi Hvy	940	933	938	932
Mitsubishi Mat	945	939	941	940
Mitsubishi Tr	1810	1770	1810	1790
Mitsui	986	975	980	975
Mitsui Fudosn	1440	1420	1430	1440
Mitsui Trust	1240	1210	1230	1230
Murata Mfg	3890	3890	3890	3890
NEC	1200	1170	1190	1180
New Oji Paper	960	953	958	955
Nikko Sec	1140	1120	1130	1150
Nintendo	7970	7900	7900	7980
Nipp Credit Bk	408	405	407	406
Nipp Express	1030	1010	1020	1020
Nippon Oil	724	712	724	713
Nippon Paper	708	693	705	692
Nippon Steel	354	349	351	351
Nippon Yusen	618	615	618	619
Nippondenso	2320	2250	2300	2300
Nissan Motor	933	923	933	928
NKK	314	306	314	316
Nomura Sec	2050	2020	2030	2050
NTT	8000a	7950a	7950a	8000a
Obayashi	985	972	978	977
Odakyu El Ry	724	714	724	715
Ono Pharm	3710	3630	3680	3710
Osaka Gas	390	383	389	384
Ricoh	1150	1130	1140	1150
Sakura Bk	1170	1150	1160	1160
Sankyo	2840	2770	2840	2760
Sanwa Bank	1930	1900	1900	1920
Sanyo Elec	649	634	641	635
Secom	7040	7010	7010	6980
Seibu Rwy	5650	5570	5570	5610
Sekisui House	1240	1230	1240	1230
Seven-Eleven	6970	6940	6940	6960
Sharp	1820	1800	1810	1800
Shimizu	1150	1140	1140	1140
Shin-etsu Ch	2040	2020	2030	2060
Shizuoka Bk	1370	1340	1360	1380
Sony	7160	7090	7150	7100
Sumitomo	970	959	970	958
Sumitomo Bk	2040	2020	2040	2040
Sumit Chem	515	510	511	511
Sumitomo Elec	1540	1520	1530	1540
Sumit Metal	316	313	313	315
Sumit Trust	1460	1430	1450	1450
Taisei	739	735	737	741
Taisho Pharm	2300	2270	2290	2280
Takeda Chem	1950	1930	1950	1930
TDK	6260	6100	6200	6230
Tohoku El Pwr	2430	2400	2430	2410
Tokai Bank	1390	1370	1380	1390
Tokio Marine	1350	1330	1350	1340
Tokyo El Pwr	2730	2700	2730	2710
Tokyo Gas	382	378	380	384
Tokyu	793	786	788	792
Tonen	1550	1530	1550	1540
Toppan Print	1580	1560	1570	1580
Toray Ind	734	727	732	729
Toshiba	770	756	767	759
Toyo Seikan	3720	3680	3720	3680
Toyo Trust	1090	1080	1090	1080
Toyota Motor	2650	2620	2640	2640
Yamaichi Sec	716	708	716	716
Yamanouchi	2290	2260	2290	2260
Yasuda Fire	801	784	794	795
Yasuda Trust	669	661	662	675

a: x 100

Toronto
TSE Industrials: 5055.40 — Previous: 5090.20

Toronto	High	Low	Close	Prev.
Abitibi Price	17.95	17.60	17¾	17.85
Air Canada	4.55	4.51	4.53	4.57
Alberta Energy	25¾	25.60	25.70	25¾
Alcan Alum	41.55	40.90	41.20	41.80
Avenor A	22¾	22.65	22.70	22.85
Bk Nova Scotia	32¾	32½	32.60	32.70
Barrick Gold	39.60	38.40	38½	39.90
BCE	56.60	55.85	56¼	56.20
BC Telecomm	26.70	26.60	26.70	26.70
Bombardier B	20	19.70	19.70	19.95
Brascan A	25.30	25	25	25.40
Cameco	64¼	63.85	64	64
CIBC	45.30	45	45.05	45.10
Cdn Airlines	2.65	2½	2.51	2.58
Cdn Nat Res	27	26.60	26.90	26.60
Cdn Occid Pet	23.40	22.80	23.15	22.90
Canadian pac	29.85	29¼	29.30	29.90
Cominco	29¼	28.90	29.10	29¼
Consumers Gas	21¼	21.15	21¼	21¼
Dofasco	20.65	20.40	20½	20.70
Domtar Ind B	9.95	9½	9½	9¾
Du Pont Cda A	31¼	30¾	30¾	31¼
Echo Bay Min	15	14.70	14.70	14.95
Empire Co. A	12¾	12¼	12¾	13.05
Falconbridge	29.35	29.05	29.20	29½
Fletcher Chall A	18.70	18.55	18.55	18.70
Franco Nevada	44½	44.10	44.10	44½
Guardian Cap A	9	9	9	9
Hemlo Gold	15½	15.45	15.45	15.60
Horsham	19.05	18.95	19	19.15
Imperial Oil	58.10	57¼	57¼	58.10
Inco	44.70	43.60	43¾	44¼
IPL Energy	35½	35.20	35¼	35.40
Laidlaw A	13.45	13.45	13.45	13.60
Laidlaw B	13.55	13.40	13.45	13.60
Loewen Group	40.90	40½	40.55	40.90
Lon Insur Gp	29¼	29.05	29.20	29.30
Macmill Bldl	17.95	17¾	17.80	17.95
Magna Intl A	63¼	61.40	61.40	62¾
Maple Leaf Fds	7.10	7.10	7.10	7.10
Moore	26.90	26½	26½	26¾
Newbridge Net	80	74½	74¾	82½
Noranda Inc	27.90	27.40	27.40	28
Noranda Forest	8.85	8.80	8.85	8.85
Norcen Energy	23.90	23¾	23.85	23¾
Nthern Telecom	75.70	73½	73½	76
Nova	12.65	12½	12.60	12.70
Onex	14½	14.40	14½	14.45
Placer Dome	34.70	34	34.05	34¾
Potash Sask	91.60	90¼	90½	91
Provigo	7¼	7.20	7¼	7¼
Quebecor Print	22	21.85	22	21.95
Renaissance	39.30	38.30	38.45	38½
Rio Algom	26.55	25.80	26.55	26.60
Seagram Co	45.15	44.60	44¾	45.10
Stone Consold	16.20	16	16	16¼
Talisman Eny	34½	33.35	34.10	33½
Teleglobe	24	23	23¾	23.90
Telus	19.10	18.95	19.05	19
Thomson	22¾	22¼	22.60	22.45
TorDom Bank	24.30	24.15	24.20	24¼
Transalta	15.10	15.05	15.10	15.10
TransCda Pipe	21.20	21.10	21.15	21¼
Utd Dominion	32.60	32	32.40	32.60
Westburn	9.90	9.85	9.85	10
Westcoast Eny	21.30	21.15	21.30	21.30
Weston	47	46½	47	46.95

Vienna
ATX Index: 1085.62 — Previous: 1085.43

Vienna	High	Low	Close	Prev.
Aust Airlines	1650	1650	1650	1650
Brau-Un Goess	650	640	640	659
Bund Vers Pfd	405	405	405	401
Creditanstalt Pd	550	544	544	545
EA-Generali	3095	3080	3080	3070
EVN	1515	1491	1497.50	1491
Interunfall	1573	1573	1573	1572
Lenzing	677	667	677	665
Leykam	306	303.50	303.50	307
Mayr-Meinhof	491	488	491	486
OMV	1080.50	1077	1080	1073.95
Oest Brau	632	625	630	634
Oest Elektriz	811	808	810	808
VA Tech	1366	1350	1350	1365
Wienerberger	2107	2075	2075	2103

Wellington
NZSE-40 Index: 2122.04 — Previous: 2116.93

Wellington	High	Low	Close	Prev.
Air N Zeald B	3.22	3.18	3.18	3.20
Brierly Invt	1.45	1.43	1.43	1.42
Carter Holt ord	3.41	3.39	3.40	3.38
Fernz	4.65	4.60	4.65	4.50
Fisher Paykel	4.65	4.60	4.60	4.60
FC Forest	1.75	1.72	1.73	1.72
Goodman Fder	1.44	1.44	1.44	1.44
Indep News	5.20	5.16	5.20	5.15
Lion Nathan	3.85	3.78	3.79	3.84
Nat Gas note	2.01	1.98	2.01	1.96
NZ Refining	26.00	26.00	26.00	26.00
Telecom NZ	6.30	6.23	6.23	6.27
Wilson Horton	9.54	9.50	9.50	9.50

Zurich
SPI Index: 2443.87 — Previous: 2432.32

Zurich	High	Low	Close	Prev.
Adia B	300	297	299	299
Alusuisse R	1036	1021	1036	1026
Ares-Serono B	1047	1030	1030	1060
Baloise Hdg R	2700	2660	2700	2650
ABB B	1557	1544	1555	1540
BK Vision	1575	1563	1575	1565
Bobst B	1790	1780	1780	1760
Ciba Geigy R	1547	1525	1542	1522
CS Holdings R	132.50	131	131.25	132.75
Elektrowatt B	475	471	474	474
Fischer B	1390	1380	1380	1390
Hilti PC	925	915	925	920
Holderbank B	956	951	955	954
Jul. Baer Hdg B	1345	1325	1340	1321
Merkur Hdg R	250	245	248	251
Nestle R	1484	1473	1484	1480
Oerlikon R	124.50	123	124.50	125.50
Pargesa Hld B	1470	1460	1470	1460
PharmVisn B	6060	5995	6035	6000
Pirelli B	162	162	162	163
Roche Hdg PC	9740	9660	9695	9600
Sandoz R	1450	1432	1447	1431
SBC R	246.50	245.25	246.50	245.75
Schindler B	1300	1280	1300	1285
SGS B	2950	2875	2920	2940
SMH B	890	878	880	879
Sulzer R	795	787	792	790
Swiss Reins R	1266	1249	1265	1256
Swissair R	1205	1188	1200	1190
UBS B	1285	1274	1279	1277
Winterthur R	787	778	778	780
Zurich Assur R	349	342	342	346

NASDAQ

Thursday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 p.m. Close
(Continued)

Man Hoping
Buy Barneys
Or Maybe Not

ecord Sells Bumble

Debark for Public Stations

CBS and Sony Link U

The Man Hoping To Buy Barneys — Or Maybe Not

By Edward A. Gargan
New York Times Service

HONG KONG — Here in Hong Kong, where New York is regarded as somewhat of a distant backwater, the big news about Dickson Poon recently has nothing to do with rumors surrounding his reported intent to buy the bankrupt New York clothing store Barneys.

Instead, the papers here, both Chinese and English, are swamped with stories about an "exclusive" account of Mr. Poon "bearing witness" in a church here that his faith cured his cancer.

The only problem with the exclusive was that it wasn't true, an admission that came after Mr. Poon threatened a libel suit.

Indeed, the social life — true or not — of the 39-year-old Mr. Poon has felled far more trees for Hong Kong's enormous newspaper and magazine industry than the staider dimensions of his vast and expanding retailing empire.

With three marriages already, including one to Michelle Yeoh, a kung fu star, Mr. Poon's swashbuckling sashays through Hong Kong society have been depicted as the quintessential expression of his chuppie — Chinese yuppie — marketing.

Not untypically, in 1990, a year before he bought Harvey Nichols, the London retailer habituated by Princess Diana, he staged a tenth-anniversary celebration for his Dickson Concepts company that included six topless dancers.

But beneath the high profile socialite life, Mr. Poon has built one of Hong Kong's most prominent retailing empires, with operations in more than 30 countries, more than 200 outlets and exclusive rights to a range of high fashion brand names.

Whether Mr. Poon now intends to acquire Barneys depends on which anonymous spokesperson is quoted. Some say yes, and some say no.

But Bloomberg Business News quoted another unnamed company spokesperson as saying, "We have the intention of buying Barneys."

A privileged product of British public schools, Mr. Poon acquired a very definite fashion sense from his high school years. With help from his father, who made his fortune selling watches and shrewdly working Hong Kong's capricious market, the young Mr. Poon got his first stake in the fashion business.

With what seemed an impeccable sense of taste, and a formidable marketing ability, Mr. Poon charged into Hong Kong's clogged retail fashion industry in the 1980s.

Recognizing that his contemporaries bought high fashion brands, and stayed loyal to them, Mr. Poon systematically set about corralling some of the most visible franchises in fashion, including Polo, Ralph Lauren, Charles Jourdan, Guy Laroche, Sonia Rykiel and half a dozen more expensive, and presumably chic, brands.

Mr. Poon's first major step outside of Asia came in 1991 when he shelled out £53.7 million ($34.6 million) for Harvey Nichols, a money-losing retailer with a high fashion image.

That foray was greeted initially with yawns in Hong Kong, but Mr. Poon's talent for spotting retail prospects paid off, and after London's consumer parsimony sparked by the Gulf War eased, Harvey Nichols, and Mr. Poon's company, blossomed.

All Nippon Looks to Asia

Airline Is Squeezed at Home and Over Pacific

By Kevin Murphy
International Herald Tribune

HONG KONG — Squeezed at home and on the trans-Pacific route to North America by competition and regulatory logjams, All Nippon Airways Co. will increasingly turn to Asia in its bid to expand its international operations, senior company officials said Thursday in Hong Kong.

Thus far in its 10-year history as an international carrier, All Nippon has built its presence in Asia through the painstaking negotiation of new individual routes, battling with domestic rival Japan Airlines and entrenched local carriers throughout the region along the way.

But now, in a strategy switch, All Nippon is hunting for operational partners and allies that can quickly expand its reach in the fast-growing Asian market.

"I am shopping around now to select an appropriate partner in these markets," said Kazuhisa Shin, senior director for network management at All Nippon, which controls more than half of Japanese domestic passenger traffic and is ranked the eighth-largest carrier globally.

"It is very important for any strategy to establish a very big and very strong Asian network," Mr. Shin said. "I would like to talk to other Asian airlines to develop more Asia-to-Japan, Japan-to-Asia arrangements."

In the year ending in March, revenues earned from international operations grew by 24.2 percent over the previous year, reaching 19 percent of total group revenues of 846 billion yen ($7.69 billion).

The rapid growth in overseas operations was a welcome sign of progress for investors who see capacity restraints at Tokyo's Narita airport and the onset of greater competition at home cutting into the group's overall profitability.

However, the emphasis on an aggressive build-up of international market share has lowered perceptions of All Nippon's profitability in the near term.

"They are seeing their traditional franchise under pressure, but All Nippon is essentially playing catch-up in the international business," said Douglas Hayashi, an analyst with Barclays de Zoete Wedd.

All Nippon's ability to increase its services to the United States is hobbled by the current standoff in negotiations between Tokyo and Washington over a new aviation agreement.

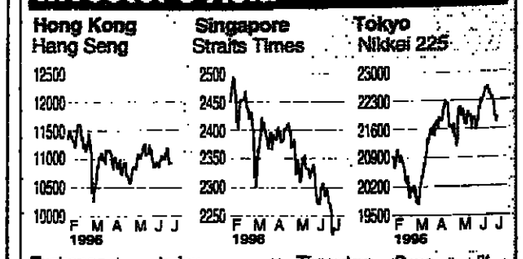
U.S. carriers themselves are bitterly divided over what points Washington should press for in the long-running talks. United Airlines and Northwest Airlines believe Japan has not lived up to earlier agreements to grant them unlimited access to stop at Japanese cities before continuing on to other Asian destinations.

Other U.S. airlines such as American, Delta and TWA are arguing that they should be allowed to join in the competition on existing terms.

Until a settlement is reached, however, All Nippon will find it difficult to expand services on its own to the U.S. market, prompting it to enter an alliance with Delta and to further accelerate its penetration of the Asian markets, which remain generally profitable relative to other regions.

To that end, All Nippon is increasing the frequency of its flights from Osaka to Hong Kong, opening a direct flight twice a week to Rangoon, pressing for rights to fly to Indonesia and lobbying China for expanded access beyond four destinations already serviced.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,921.40	10,911.80	+0.09
Singapore	Straits Times	2,223.13	2,230.42	-0.33
Sydney	All Ordinaries	2,183.90	2,201.00	-0.78
Tokyo	Nikkei 225	21,892.58	21,778.94	+0.52
Kuala Lumpur	Composite	1,137.97	1,132.13	+0.52
Bangkok	SET	1,226.18	1,239.99	-1.11
Seoul	Composite Index	847.38	858.79	-1.33
Taipei	Stock Market Index	6,247.39	6,225.59	+0.35
Manila	PSE	3,226.62	3,272.67	-1.43
Jakarta	Composite Index	579.69	577.96	+0.30
Wellington	NZSE-40	2,122.04	2,116.93	+0.24
Bombay	Sensitive Index	3,700.69	3,671.66	+0.79

Source: Telekurs International Herald Tribune

Very briefly:

- **Hyundai Heavy Industries Co.** workers voted to strike for higher pay amid mounting concern among employers about rising business costs in the country. The company is South Korea's largest shipbuilder.
- **Hoechst AG** said it has signed a letter of intent with Beijing Auxiliary Agent Factory No. 2 to form a Chinese joint venture for the production of polyethylene for Asian markets.
- **Bangkok** has invited construction companies throughout the world to tender bids for work on its 100-billion-baht ($3.94-billion) second airport project in the next 10 months, officials close to the project said.
- **Taiwan and China** have embarked on their first offshore oil cooperation project in the Taiwan Straits. Their respective state-run oil firms signed a contract in Beijing.
- **Mandalay Mining Co.** of Australia has signed a mineral exploration and development contract with Burma's Department of Geological Survey, the state-owned New Light of Myanmar newspaper reported.
- **Shanghai** will invite 300,000 overseas specialists in the next 15 years to help turn it into an international economic, trade, financial and shipping hub, China's official Xinhua news agency said.

AFP, Bloomberg, Knight-Ridder, AP

U.S.-Japanese Tensions Loom Over APEC

Reuters

WELLINGTON — U.S. differences with Japan will loom large when APEC trade ministers meet in New Zealand next week to plot the next moves to free up world trade.

The United States and Japan, the economic giants of the Asia-Pacific Economic Cooperation forum, have less than three weeks left to thrash out agreement on access to Japan's microchip market.

The existing agreement is due to expire on July 31.

Simmering in the background are differences over China's accession to the World Trade Organization, with Washington demanding stronger commitments from Beijing.

"One of the most challenging talks before us is to complete China's accession to the WTO," the senior U.S. trade official, Dorothy Dwoskin, said earlier this week. She said China still had a great deal of work to do to open up its markets.

Unicord Sells Bumble Bee Tuna and 3 Plants

Bloomberg Business News

SAN DIEGO — Unicord Co. of Thailand agreed Thursday to sell its Bumble Bee tuna business to a private investment group and three of its plants to H.J. Heinz Co.

"Bumble Bee is a terrific brand name," said Jay Alix, managing general partner of Questor Partners Fund LP, a turnaround specialist, "and we think there are significant opportunities to expand the Bumble Bee business."

Terms of the transactions were not disclosed, and sales must be approved by regulators.

Bumble Bee is the first major purchase by Questor, which was formed in January 1995. Other principals at the fund include Dan Lufkin, co-founder of Donaldson, Lufkin & Jenrette, and Edward Scharff, a former president of Transamerica Corp.

Unicord bought San Diego-based Bumble Bee in 1989 for $283 million and has been trying to sell at least of part it for four years. The debt-laden seafood company posted a record loss of 1.4 billion baht ($55.1 million) last year, when it shut most of its domestic factories following the June 1995 suicide of its founder, President Dumri Konuntakiet.

Heinz, the maker of the rival tuna brand StarKist, said it would produce Bumble Bee tuna for Questor at the three plants but also might use them to pack StarKist. StarKist is the dominant U.S. brand, with a 46 percent market share, while Bumble Bee sales have been falling.

Heinz is buying a Bumble Bee plant in Mayaguez, Puerto Rico, with about 2,000 employees, and plants in Santa Fe Springs, California, and Manta, Ecuador, that each employ fewer than 100 workers, a company spokesman said.

TV: *Setback for Public Stations*

Continued from Page 15

petition commissioner, Karel van Miert, had initiated a study of a flurry of recent exclusive-rights agreements struck between European sports authorities and public and private broadcasters.

Although the ruling will not have any immediate effect on existing contracts, broadcasting union officials said they feared it could hamper future negotiations by sowing doubts about the *group's legal status in the* minds of sports authorities. They also expressed concern that the judgment could eventually deprive Europe's mass TV audience of free access to major sports events.

"We guarantee that all games are shown, unscrambled, to the entire public," said Jacques Briquemont, the group's adviser for EU affairs. On pure financial terms alone, he said, "we would have great difficulty to stay in competition with the big pay TV companies."

Most analysts agree. Media giants like France's Canal Plus, Germany's Bertelsmann and Rupert Murdoch's BSkyB are jockeying for control of Europe's budding pay-TV market.

On Monday, BSkyB announced an alliance with Kirch to develop digital satellite television. That technology will give consumers access to hundreds of television channels with sharper images and CD-quality sound, and companies see big-ticket sports events as a major lure.

"The costs of sports rights are going up," said Matthew Walker, an analyst at SBC Warburg in London. "In the digital age, sports are going to be the crucial drivers to attract people to pay TV."

In Thursday's ruling, the European Court of First Instance, based in Luxembourg, said the European Commission failed to show that the exemption was in the public interest. In addition, it said the European Broadcasting Union discriminated against commercial stations by denying them membership.

The suit was brought by four commercial stations, including France's M6 and Spain's Antena 3, which applied for but were refused membership in the EBU.

In addition to Kirch's winning World Cup bid, BSkyB last month agreed to pay £670 million ($1.04 billion) for rights to English soccer's Premier League through 2001 and £87.5 million for five-year rights to England's home rugby union international matches and club rugby.

Those deals have sparked a political backlash, however. Officials of several German states have requested a parliamentary investigation.

The EBU meanwhile has used its public-service argument to good effect.

In January, the International Olympic Committee awarded to the EBU the European broadcast rights to the Summer and Winter Games from 2000 to 2008 for $1.4 billion, spurning a reported offer of $2 billion from a consortium led by Mr. Murdoch's News Corp.

The committee cited the extensive free coverage offered by the EBU, as well as the group's experience in having broadcast all Olympic Games since 1960.

LLOYD'S: *Profit in Sight*

Continued from Page 15

the debts of loss-making names from earlier years.

Approval of that contribution would then clear the way for Names to either accept or reject their individually tailored settlement plans. Those are to be mailed out next month.

In return for accepting the market's offers, Names must pledge to abandon their legal suits and to pay what they owe as underwriters of thousands of money-losing insurance policies — most disastrously, on those covering claims on pollution damage and asbestosis in America.

In recent years, thousands of Names have balked at paying up on their losses and have instead sued the market as well as its agents, alleging everything from negligence to outright fraud.

Faced with mounting claims against its insurance policies and huge legal bills on one side, and with the lack of payments from Names on the other, Lloyd's has been driven to the brink of insolvency.

Now, after years of bitter disputes, even some of Lloyd's most virulent critics have thrown their weight behind what the market calls its final offer.

Richard Platts, secretary of the Gooda Walker Action Group, one of the largest groups of litigating Names, predicts that 70 to 80 percent of his members will support the offer.

"And it could even go much higher," he said.

The optimism is based on a lack of alternatives, and on the conviction that the deal is the best one Names are likely to get. If the offer fails, Lloyd's would face the threat of bankruptcy.

"I think people realize that there is just not any more money to be squeezed out of the litigation fruit," said Mr. Platts.

"For the first time in nearly a decade, Lloyd's faces the prospect of stability just around the corner," said Charles Sturge, aspecialist on the market.

Meanwhile for those Lloyd's members, both individual and corporate, who remain active in the market, the future is now looking decidedly lucrative.

Since Lloyd's reports its results with a three-year time lag, the expected record profits posted by Lloyd's on Friday cover only calendar year 1993. Most analysts reckon that, in the end, 1994 and 1995 will have proven similarly profitable.

■ Aide Leaving Barings

ING Barings announced Thursday that Andrew Tuckey had decided to end his work as a consultant for the firm at the end of the month.

Mr. Tuckey had resigned as chairman of what was then Barings PLC after its collapse in the wake of huge unauthorized trading losses rung up by a rogue trader, Nicholas Leeson, in Singapore.

CBS and Sony Link Up

New York Times Service

NEW YORK — CBS Inc. and the television production studio of Sony Corp. have announced a partnership with 3 Arts Entertainment Inc., a growing Hollywood management firm, to create an entity that will produce television shows for the network.

It is the first deal to unite one of the established networks with both a production studio and a talent-management company to form a production venture. It is also the first deal that CBS has made with a Hollywood studio to produce programs jointly.

Executives involved in the deal said it could foreshadow further joint ventures between Sony and CBS.

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At the Annual General Meeting held on June 25, 1996, it was decided to pay a dividend of USD 0.07 (7cents) per share on or after 24th July, 1996 to shareholders of record on July 2, 1996 and to holders of bearer shares upon presentation of coupon No 17.

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HOLIDAYS & TRAVEL SECTION
Appears on Page 12

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U.K. zone B en L/l - TVA 17,5% (fioul 8%)
GO: 0,500 FOD*: 0,321

ALLEMAGNE (zone I) DM/l - TVA 15%
ZONE I - E :
GO: 0,99
ZONE II - I :
GO: 0,97
SC97: 1,37 SCSP: 1,33
ZONE III - F :
GO: 1,01 SCSP: 1,37
ZONE IV - F :
SC97: 1,32
ZONE IV - G :
GO: 0,99 SCSP: 0,57

BELGIQUE en FB/l - TVA 21%
GO: 21,32 FOD*: 10,19
SC97: 30,99 SCSP: 28,93

HOLLANDE (zone2) NLG/l - TVA 17,5%
GO: 1,176

LUXEMBOURG en LUF/l - TVA 15%
GO: 18,25

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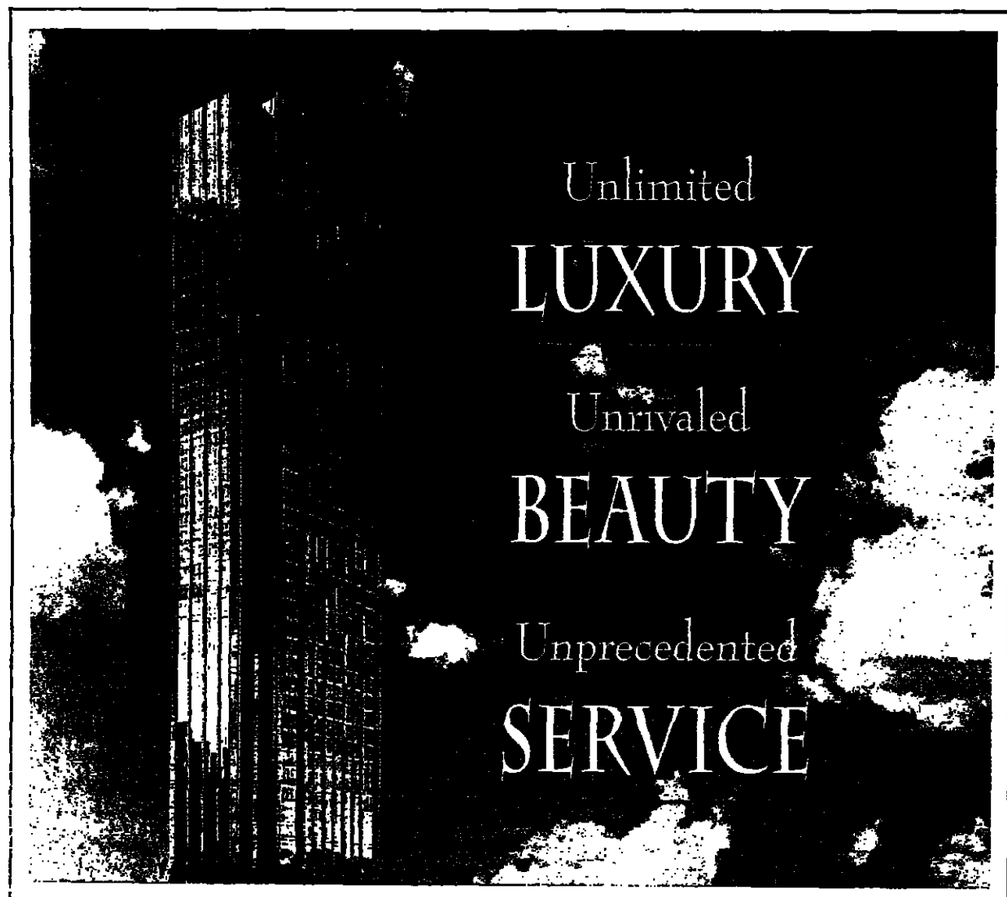

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THE WORLD'S DAILY NEWSPAPER

Riis Takes the Lead For a Rising Team

By Samuel Abt
International Herald Tribune

VALENCE — Team Deutsche Telekom called a news conference to flaunt its, and the Tour de France's, leader, Bjarne Riis, plus its sprinter, Erik Zabel, the wearer of the green points jersey, and its wunderkind, Jan Ullrich, who is seventh in the competition for the polka-dot jersey of the best climber.

Those are all the special jerseys there are in the bicycle race. If there were still a white one for the best rider under the age of 25, Ullrich, 22, would be wearing it.

Because Telekom's domination is so complete right now, little was heard about the major challengers to Riis on Thursday other than details about a high-speed crash by Tony Rominger, a Swiss with Mapei and the third-ranked rider among the 146 remaining. Although he was reported to have cut and bruised his right leg, his wounds were described as superficial.

A spokesman for the team said that Rominger had fallen on the final descent, from the Limouches Pass into Valence, and that more would be known about his condition after a night's sleep and the expected stiffening of his leg. What was worrisome, the spokesman said, was that the rider's right knee was already troubling him before the crash left it scraped.

Otherwise, as the Tour completed its 11th of 21 stages, a 202-kilometer (125-mile) spin from Gap over six moderate climbs to Valence, the favorites spent the day regarding each other and letting a long breakaway of eight low-ranked riders battle for the victory. Nobody else was in the mood to challenge Telekom.

If the team is so respected, why was it lodged for the day off Wednesday in the deep boondocks — take the two-lane blacktop northeast out of Gap, keep going past fields strewn with bales of hay, hang a left at the herd of cows crossing the road and a right at the pine tree blazed with a big X — instead of in the city with most of the rest of the big boys?

The accommodations were the type that the Tour organizers usually reserve for second-rank teams from Spain or Monaco. Perhaps when the hotel list was drawn up last fall, nobody thought Telekom would be worthy of anything better.

Not so, said the hotel's proprietor. He boasted that three previous Tour winners — Greg LeMond, Pedro Delgado and Miguel Indurain — had stayed under his roof the years that they triumphed.

Telekom will go downtown in the next Tour. This is not the 1995 team.

"We didn't have a real leader last year," explained Walter Godefroot, the Belgian who directs the team based in Germany. Last year, without Riis at the helm, Telekom was admitted to the Tour only as a mixed entry with the equally undistinguished ZG team from Italy. The blend lived up to expectations.

"Also we didn't have the maturity and stability that we have this year," Godefroot added.

Or, as Rolf Sorensen, a Dane who rides for Rabobank, says of Telekom, "When you're on the edge, you tend to perform better. Riis has brought the team up to the edge."

Riis, a 32-year-old Dane, continued to do that Thursday as he retained his 40-second lead over Evgeni Berzin, a Russian who rides for Gewiss. With other veterans, Riis left that Italian team during the winter rather than continue to support the self-centered Berzin.

Both of them and all other favorites, including Rominger, finished 2 minutes 51 seconds behind the winner of the stage, Chepe González, a Colombian with the Kelme team who started the day in 117th place. Taking off in the final straightaway, González coasted home a second ahead of Manuel Fernández Gines, a Spaniard with Mapei, and rose to 107th place overall, more than an hour 13 seconds behind Riis. The diminutive González was timed in 5 hours 9 minutes 12 seconds, a speed of 39 kilometers an hour (24 miles per hour).

Conducted mainly in sunshine over Alpine foothills, the stage was watched by large crowds, including a few hundred disgruntled farmers who tried to interrupt proceedings in the cause of lower taxes and a few dozen riot policemen who stood nearby to tamp down the tempers of the sons of the soil.

Riis is one of them himself, a reserved fellow who grew up in the Danish countryside, spent his first seven seasons in the sport as a worker for team leaders and only began to emerge in 1993, when he finished fifth in the Tour as a member of the Ariostea team. With Gewiss last year he finished third and jumped at the chance to lead a team.

"It's good, it's different," he said about his new role before he began heading for the yellow jersey last weekend in the Alps.

During his years of servitude with the Roland, Lucas, Toshiba, Super U and Castorama teams, where he carried bottles of water, chased down breakaways and rode tempo for his leader, had he ever thought that he would become a leader?

"No, you don't think about that," he replied. "Now, in this position, you think about it."

He is thinking about more than that. At his news conference, he switched from French to Italian to sort-of-Spanish — he also speaks English and, of course, Danish and German — to discuss his chances of victory when the Tour ends in Paris on July 21.

"Paris," he said with a big smile, "it's still so far away." But, he added, "My position is ideal. I'm riding well and the team is very strong. I've never had such good form as I have now.

"I think I'm very capable of winning," he decided. "I think I'm the strongest rider right now."

■ DuPont Ends Sponsorship

DuPont is withdrawing as the main sponsor of the largest cycling race in the United States after next year's event, The Associated Press reported.

DuPont was responsible for about one-third of the race's estimated $7.5 million annual budget.

Laurent Rebours/The Associated Press

Bjarne Riis, of Deutsche Telekom, who is the Tour's current overall leader.

STANDINGS: 1, Bjarne Riis, Denmark, Telekom, 53 hours, 11 minutes, 26 seconds; 2, Yevgeny Berzin, Russia, Gewiss, 40 seconds behind; 3, Tony Rominger, Switzerland, Mapei, 56; 4, Abraham Olano, Spain, Mapei, 56; 5, Jan Ullrich, Germany, Telekom, 1 minute, 37 seconds behind; 6, Peter Luttenberger, Austria, Carrera, 2:38; 7, Richard Virenque, France, Festina, 3:39; 8, Miguel Indurain, Spain, Banesto, 4:38; 9, Fernando Escartin, Spain, Kelme, 4:49; 10, Laurent Dufaux, Switzerland, Festina, 5:0; 11, Piotyr Ugrumov, Russia, Rosiotto, 5:27; 12, Luc Leblanc, France, Polti, 7:08; 13, Manuel Gines Fernandez, Spain, Mapei, 8:14; 14, Alex Zulle, Switzerland, Once, 8:27; 15, Udo Bolts, Germany, Telekom, 8:43; ALSO: 16, Aitor Garmendia, Spain, ONCE, 9:07; 18, Bo Hamburger, Denmark, TVM, 10:22; 34, Chris Boardman, Britain, GAN, 33:14; 46, Melchor Mauri, Spain, ONCE, 46:32; 50, Claudio Chiappucci, Italy, Carrera, 50:05.

World Roundup

Falling Star Ratings

BASEBALL The broadcast Tuesday of the All-Star Game by NBC, the U.S. network, generated a 13.2 Nielsen rating in the United States, down from a 13.9 in 1995.

The game's ratings have fallen for a decade. In 1986, ABC's telecast rated a 20.3. The highest-rated All-Star Game was a 28.5 in 1970, won by the National League, 5-4.

Tuesday's game rating peaked at a 14.4 from 10 to 10:30 P.M., but fell to a 12.1 as the NL won an unexciting game, 6-0. Cleveland had the highest rating, with a 23.7. *NYT*

• Frank Thomas will miss at least three weeks with a stress fracture in his left foot. Thomas, the Chicago White Sox first baseman, was placed on the 15-day disabled list Thursday for the first time since he entered the league in 1990. Thomas's 346-game streak was second longest in the majors behind Cal Ripken. *(AP)*

Undecided Election

CRICKET Jagmolan Dalmiya of India won a vote to become the new International Cricket Council chairman, but will not allowed to take the position due to a stalemate caused by the ICC constitution.

Dalmiya, secretary of the Indian cricket board and a Calcutta-based millionaire, beat Malcolm Gray, an Australian, 25 votes to 13 in a second ballot Wednesday in London. The ICC constitution requires that a successful candidate must have a two-thirds majority of the votes from the nine test-playing nations, which have two votes each. Dalmiya had the support of 19 of the 22 associate members but only three full-member countries — India, Pakistan and Sri Lanka — voted for him. *(Reuters)*

Disputed Transfer

SOCCER FIFA, soccer's world governing body, may be called on to arbitrate the transfer of the Czech midfielder Pavel Nedved from Sparta Prague to Lazio of Rome, which has been challenged by the Dutch club PSV Eindhoven.

Lazio said Thursday it had signed Nedved to a three-year contract, but PSV said it had a prior claim because of a deal it had struck with Sparta's previous owners.

• Oleg Romantsev resigned as coach of the Russian national team Thursday, three weeks after the squad was eliminated from the European Championship after the first round. The Russian Soccer Union appointed the assistant coach Boris Ignatyev to the post.

Romantsev said Igor Shalimov, Sergei Kiryakov and Dmitri Kharin, who play outside Russia set poor "ethical standards" by being interested "mostly in financial issues at the expense of the game."

• Giovanni Savarese scored two second-half goals Wednesday to lift the New York-New Jersey MetroStars to a 3-2 Major League Soccer victory over the Dallas Burn.

Frank Klopas and Uche Okafor each scored as the Kansas City Wiz beat the Colorado Rapids, 2-0. *(AP)*

Seeds Fall in Gstaad

TENNIS Yevgeni Kafelnikov, the No. 1 seed, and Alberto Costa, the No. 6, were the only seeds to reach the quarterfinals Thursday of the Swiss Open in Gstaad. Kafelnikov beat Karim Alami of Morocco, 6-3, 6-3, in just 57 minutes. Costa, a Spaniard, beat Hernan Gumy of Argentina, 6-3, 4-6, 6-4.

Alberto Berasategui of Spain, looking for his fourth title in as many weeks beat the No. 8 seed, Carlos Moya, also of Spain, 7-5, 6-2. Bohdan Ulihrach of the Czech Re upset No. 5 Cédric Pioline of France, 7-6, 6-3. *(Reuters)*

Patrick Hertzog/Agence France-Presse

Donovan Bailey, right, leaning past Linford Christie at the finish line. Both were clocked at 10.17 seconds.

In 100 Meters Photo Finish, Bailey Edges Christie

NICE — World champion Donovan Bailey of Canada edged out the Olympic champion, Linford Christie of Britain, in a photo finish to win the 100-meter sprint Wednesday night at the Nikaia international track and field meet.

Christie led for the first 60 meters but Bailey finished strongly and the pair crossed the line together.

Bailey and Christie, the 36-year-old veteran, both clocked 10.17 seconds running into a wind. Christie will defend his Olympic crown without a victory in a major meet this year.

Nourredine Morceli of Algeria, the world-record holder at every distance from 1,500 meters to 3,000 meters, won the rarely raced 2,000 meters with crushing ease.

Morceli clocked 4:49.55 to win by more than four seconds ahead of Martin Keino of Kenya (4:53.84).

Hicham El Guerrouj of Morocco — a possible rival for Morceli at the Games — won the 1,500 meters, cruising home in 3:30.61 ahead of the highly rated Venuste Niyongabo of Burundi (3:31.65), another likely Olympic medal contender.

The Olympic champion, Hassiba Boulmerka of Algeria, finished seventh, well behind the leaders in the women's 1,500 meters.

Boulmerka, running competitively for the first time this year, was left trailing by the front runners with 250 meters remaining and was unable to mount any challenge.

Sonia O'Sullivan of Ireland won the 3,000 meters in 8:35.42, well ahead of Julia Vaquero of Spain (8:41.23).

On Thursday, O'Sullivan, the world 5,000-meters champion, said she will run both the 5,000 meters and the 1,500 at the Olympics.

"Why not go for both," O'Sullivan said. "I've got nothing to lose." *(AP, Reuters)*

After the Wall Fell So Did Medals Total

Is Merged German Olympic Team Less Than the Sum of Its Parts?

By Rick Atkinson
Washington Post Service

BERLIN — They've taken the best from the old East German Olympic juggernaut, including a constellation of sports schools and an obsession with systematic training. They've kept the best of the West, including western Germany's high-tech diagnostic equipment and international superstars like Steffi Graf.

Yet the united German team gathering in Atlanta this week may remain less than the sum of its parts. At Barcelona in 1992, for example, the first pan-German team to compete following reunification in 1990 finished a respectable third in total medals behind the Commonwealth of Independent States — the former Soviet Union — and the United States.

But those 82 medals collected were less than the 102 won by East Germany alone at Seoul in 1988 and barely half the 142 won by West German and East Germany collectively.

German sports officials assume a shoulder-shrugging insouciance. That German athletes are merely mortal, they contend, is good for the Games.

They also say that one distinctly western feature of the unified team is an inclination to keep medal winning in perspective, rather than making it the national obsession so typical of an East Germany desperate to be good at something.

"When two teams come together, you don't necessarily get double the athletic prowess," said Armin Baumert, director of the German Sport Federation. "It would have been deadly in Barcelona if we had been able to crush all the other countries with such massed power. Thank God that wasn't the case, because the Games are only interesting if there's genuine competition between near equals.

"We say that medals are the top goal, but not the only goal," said Baumert.

Which is not to say that the 479 members of the German team won't be loaded for bear. More than half the athletes have Olympic experience and 41 are previous medal winners. It includes not only Graf, 27, who won the gold in women's tennis in 1988 and the silver in 1992, but also the eastern German, Jochen Schümann, 42, a double-gold sailor who is competing in his fifth Olympics, and Birgit Fischer of Mannheim, 34, known as the "Canoe Queen" by virtue of winning four golds and two silvers in kayaking.

Two immigrant athletes from the former Soviet Union who won gold medals in Barcelona will be competing for their new fatherland in Atlanta — wrestler Oleg Kutscherenko and gymnast Waleri Belenki. Considering that Germany insists that it is not an immigration country, the team has done well with foreigners. Thirty athletes are naturalized citizens.

Athletes, coaches and sports officials insist that East-West fault lines within the team, still visible in 1992, have all but disappeared. If *Ossis* and *Wessis* — slang for easterners and westerners — remain distinct species in many aspects of German life, the differences appear to be minimal in sports.

Slightly more than one-third of the athletes going to Atlanta are from eastern Germany, and they dominate in such traditional East German sports as diving, women's volleyball, weightlifting, cycling and gymnastics. The West brings strength to tennis, field hockey, water polo, women's soccer, badminton and equestrian events.

"It's not a problem," said the swimmer Franziska van Almsick, 18, an eastern Berliner. "Maybe it's an issue for some functionaries, but not athletes."

Franzi, as she is known across Germany, won silver and bronze respectively in the 200-meter and 100-meter freestyle at Barcelona. Eleven years old when the Wall fell, she, like many on the team, has spent most of her sports career in a unified country.

Still, nostalgic laments can be heard from those who remember the money and attention lavished on Olympic athletes by an East German regime for which sports achievement symbolized political righteousness.

"The whole system of nurturing the athletes is different now," said the swim coach Beate Ludeweg, who has coached eastern Berlin backstroker Ralf Braun since 1979. "The scouting and selection of talent is done much more at random. Everything has clearly deteriorated."

Unified Germany retained such eastern innovations as sports schools; there are more than 30, including 21 left over from East Germany, where talented ice skaters are enrolled in first grade, gymnasts in third grade and swimmers in fifth grade.

But the approach to sport as a national industry has changed. At the Olympic training center in the eastern Berlin district of Weissensee, some 600 coaches and 200 sports medicine experts were employed before the Wall fell; now there are 150 coaches and 15 medical professionals.

That Germany in 1992 won only 58 percent as many medals as two Germanys in 1988 reflects several factors, officials say. In some events there are only half as many Germans competing; only three German women can run in the 100-meter dash, for example, compared to six when there were two national teams. Talented eastern athletes are no longer compelled to compete for the state.

Moreover, it is widely believed that East German sports success reflected rampant doping. Sprinter Katrin Krabbe, dubbed "Germany's fastest pharmacy" by one German newspaper, was considered a likely medal winner in 1992 until she and two teammates were embroiled in a scandal over switched urine samples.

Today, German sports officials insist their athletes are purer than new-driven snow. "Every German athlete is tested for drugs at least once a month," Zinner said.

Those included on the Atlanta squad also must submit to another check: each Olympian's name was sent to the Berlin authorities who control the so-called Stasi files, a vast archive assembled by the East German secret police.

To avoid controversy, the names are checked to make certain a potential hero doesn't turn out to have been an informant for the repressive regime.

Special correspondent Petra Krischok contributed to this article.

Vincenzo Pinto/Reuters

Franziska van Almsick, from eastern Berlin, will be one of the medal hopes of the German swim team in Atlanta.

Scoreboard

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
New York	52	33	.612	—
Baltimore	46	39	.541	6
Toronto	38	49	.437	15
Boston	36	49	.424	16
Detroit	27	61	.307	26½
CENTRAL DIVISION				
Cleveland	52	35	.598	—
Chicago	50	37	.575	2
Milwaukee	43	43	.500	8½
Minnesota	41	45	.477	10½
Kansas City	36	50	.432	14½
WEST DIVISION				
Texas	51	36	.586	—
Seattle	46	39	.541	4
California	43	45	.489	8½
Oakland	43	45	.489	8½

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	54	33	.621	—
Montreal	49	38	.563	5
New York	41	46	.471	13
Florida	40	47	.460	14
Philadelphia	37	49	.430	16½
CENTRAL DIVISION				
St. Louis	46	41	.529	—
Houston	47	42	.528	—
Cincinnati	39	43	.476	4½
Chicago	41	46	.471	5
Pittsburgh	39	48	.448	7
WEST DIVISION				
San Diego	48	41	.539	—
Los Angeles	47	42	.528	1
Colorado	42	44	.488	4½
San Francisco	38	48	.442	8½

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	45	26	0	.634	—
Chunichi	39	32	0	.549	6
Yomiuri	37	36	0	.507	9
Yakult	35	37	0	.486	10½
Yokohama	31	42	0	.425	15
Hanshin	30	44	0	.405	16½

THURSDAY'S RESULTS
Hanshin 5, Yokohama 3
Chunichi 7, Yakult 3

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	46	31	2	.597	—
Orix	41	30	3	.577	2
Lotte	35	38	2	.479	9
Kintetsu	33	38	1	.465	10
Seibu	32	39	3	.451	11
Daiei	32	43	1	.427	13

THURSDAY'S RESULTS
Seibu 3, Nippon Ham 2
Daiei 5, Orix 3
Kintetsu 5, Lotte 3

CYCLING

Tour de France

Leading results Thursday in the Tour de France's 11th stage, the 202-kilometer (125-mile) leg from Gap to Valence: 1, Chepe Gonzalez, Kelme, Colombia, 5 hours, 9 minutes, 12 seconds; 2, Manuel Gines Fernandez, Spain, Mapei, 1 second behind; 3, Alberto Elli, Italy, MG, same time; 4, Laurent Brouchard, France, Festina, s.t.; 5, Marco Fincato, Italy, Rosiotto, s.t.; 6, Laurent Roux, France, TVM, s.t.; 7, Stefano Cattai, Italy, Rosiotto, 5 seconds behind; 8, Laurent Madouas, France, Motorola, s.t.; 9, Erik Zabel, German, Telekom, 2:51; 10, Fabio Baldato, Italy, MG, s.t.

SOCCER

MAJOR LEAGUE SOCCER
NY-NJ 3, Dallas 2
Kansas City 2, Colorado 0
STANDINGS: Eastern Conference— Tampa Bay 27 points; D.C. 19; NY-NJ 18; New England 13; Columbus 11. Western Conference— Los Angeles 32; Kansas City 26; San Jose 22; Colorado 22; Dallas 22.

BASKETBALL

OLYMPIC BASKETBALL
EXHIBITION MATCHES
United States 119, China 58
Brazil 5, Denmark 1

FOOTBALL

CANADIAN FOOTBALL LEAGUE
Calgary 62, Montreal 22
Saskatchewan 27, Edmonton 24

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SPORTS

Fans Hail Barkley as U.S Team Beats China

By Jay Privman
New York Times Service

PHOENIX — The Chinese Olympians brought watches. The Americans gave them T-shirts.

The traditional gift-giving ceremony before the game at America West Arena gave new meaning to the term balance of trade. Sure, the game was going to be an insult, but did it have to be that way beforehand?

Besides giving the Dream Team a warm-up for the Olympics, Wednesday night's 119-58 victory over China gave the United States an early look at one of their Olympic opponents. The United States and China, both in Pool A, will play July 26 in Atlanta.

The fans who came Wednesday night got what they wanted — a chance to salute a local hero, Charles Barkley, and 40 minutes of highlight-reel dunks once the Americans shook off the cobwebs.

Barkley might have been playing his final game in Phoenix while still a member of the Suns. Barkley could be traded and his status has gripped this city in recent days.

Barkley was the first player introduced Wednesday night, and he received a boisterous ovation. One fan held up a sign that read "Keep Barkley, trade Colangelo," referring to Jerry Colangelo, the Suns' president.

When Barkley drove the lane for a thunderous dunk with 14 minutes 20 seconds left, he received a standing ovation.

And at game's end, after chants of "We want Chuck," Barkley returned for the final 1:18.

"I think the deal's done," Barkley said after the game.

Reggie Miller, another U.S. players whose status could change, led the United States with 16 points. Six others scored in double figures.

"We're starting to come together," said Lenny Wilkens, the team's coach. "They're picking up well on each other and playing unselfishly."

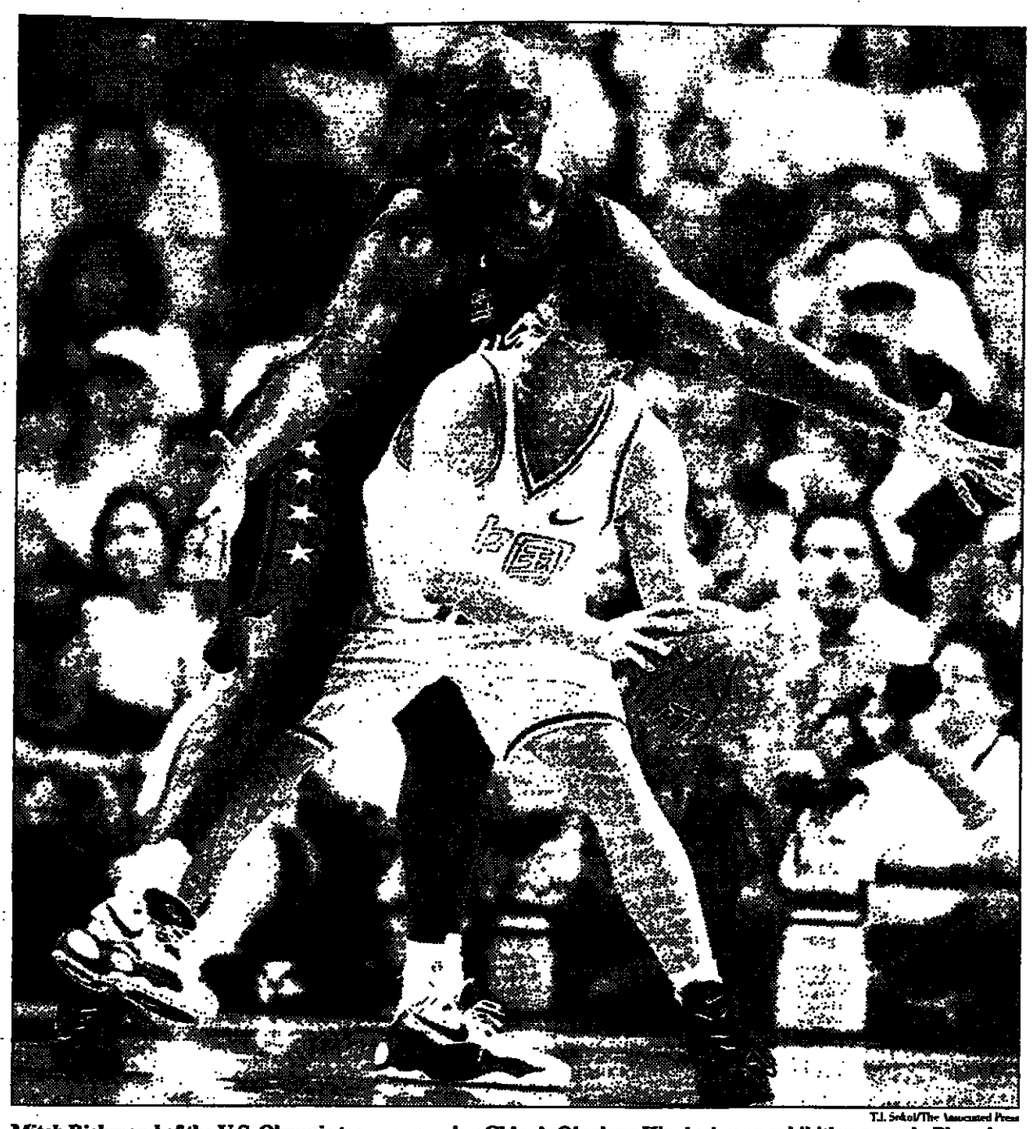
The Chinese, relying on surprisingly strong 3-point shooting, trailed by only 19-13 early and then by 43-33 with 5:30 remaining in the first half, but then the Dream Team went on an 11-0 run. The United States led by no fewer than 18 points from that point on.

David Robinson and Scottie Pippen combined for the best dunk of the game. On a fast break, Pippen lobbed the ball off the backboard, and Robinson in one sweep of his hand grabbed the ball and powered it through the hoop. Anfernee Hardaway later set up Pippen for a similar dunk.

Grant Hill's second-half reverse dunk off Hardaway's feed also gained high marks on the judges' scorecard.

The United States led 62-38 at halftime, then outscored the Chinese, 57-20, in the second half. After the United States got went ahead, 77-46, early in the second half, the Chinese seemed to become dispirited, and the Americans poured it on with repeated fast-break scores.

The United States has two more stops on its five-game, pre-Olympic exhibition tour. It will play Friday night in Salt Lake City and Sunday afternoon in Indianapolis.



T.J. Sokol/The Associated Press

Mitch Richmond of the U.S. Olympic team pressuring China's Qinglong Wu during an exhibition game in Phoenix.

Let the NBA Free-Agent Frenzy Begin

By Clifton Brown
New York Times Service

Charles Barkley is probably headed to Houston. Larry Johnson could be headed to New York. And many free agents are headed for the bank.

When the National Basketball Association lifts its moratorium on free-agent signings and trades Thursday at 5 P.M. Eastern time, a frenzy of behind-the-scenes action will take place, as the most talented collection of free agents in league history tests the market.

Shaquille O'Neal, Reggie Miller, Juwan Howard and Dikembe Mutombo are among the most prominent players who may change uniforms. Meanwhile, Barkley and Johnson are two of the stars who could be traded.

Johnson, a two-time All-Star forward, has been shopped intently by the Charlotte Hornets, and the Knicks have listened. According to one report, the Hornets are set to ship Johnson to the Knicks, in exchange for forwards Anthony Mason and Brad Lohaus.

But the Hornets may be willing to wait, hoping they can get a better deal for Johnson. Johnson has also been mentioned in trade rumors with the Portland Trail Blazers and the Los Angeles Clippers, and more teams may be ready to make offers Thursday, now that Johnson is on the trading block.

"I don't think a deal is done, but obviously Charlotte has been talking to teams," said Steve Endicott, Johnson's agent.

The Clippers were rumored to be offering Loy Vaught and Rodney Rogers in for Johnson. But Vaught's agent, Eric Fleisher, said Wednesday that he had been assured by the Clippers that Vaught was not going to Charlotte.

If the Knicks acquire Johnson, he will not come cheaply. Johnson, scheduled to earn $4.8 million next season, has nine years and $70 million left on his contract, plus a clause that calls for a 15 percent bonus if he is traded. The Hornets, who want to rid themselves of Johnson's contract, are willing to pay some of it if he is traded. But all of Johnson's salary would count against the cap of the team that acquires him.

And Johnson is unlikely to waive his trade bonus clause. "I don't know if he would waive that," Endicott said. "That's $10 million."

Meanwhile, the Knicks are also interested in pursuing trade talks for Rod Strickland, Portland's talented point guard who wants a change of scenery.

So, Thursday could be interesting. Barkley, the U.S. Olympic team forward and perennial NBA All-Star from the Phoenix Suns, is reportedly headed to Houston in a three-way deal that would send Dikembe Mutombo to Phoenix and Robert Horry and Sam Cassell to Denver.

Meanwhile, David Falk represents the biggest collection of star free agents: Michael Jordan, Alonzo Mourning, Juwan Howard, Mutombo, Kenny Anderson, Armon Gilliam and Rex Chapman. Falk has too many clients, so team executives will visit him in Washington. The agent plans to vacation in Europe starting next Thursday, so he wants Jordan, Mourning, Howard, Mutombo and Anderson signed to contracts by then. Jordan and Jerry Reinsdorf, the Bulls' owner, will likely meet Thursday in Chicago.

O'Neal is expected to sign quickly, either jumping to the Los Angeles Lakers or staying with the Orlando Magic. The Lakers have cleared more cap room for O'Neal by agreeing to trade center Vlade Divac to the Hornets on Thursday, in exchange for Kobe Bryant. The Magic is expected to offer O'Neal between $15 million to $17 million a season. But if O'Neal wants to move closer to Hollywood, there may be nothing Orlando can do to keep him.

Meanwhile, the second-tier free agents such as Chris Childs and Jim McIlvaine of Washington are expected to draw interest.

Overall, more than 150 free agents will be exploring their options. Teams have been waiting months for this opportunity. And for the players who land lucrative deals, the wait likely will have been worth it.

Glory Days Catch Up With All-Star MVP

Piazza Repays Debt to His Father

By Thomas Boswell
Washington Post Service

EVERY DAY after school in Phoenixville, Pennsylvania, Mike Piazza knew his father, Vince, would pitch to him in the backyard batting cage he had built for his son. Dad often would throw for an hour or more, leaning on the boy to learn what hard work — even in a game — entailed. "He never resented that I pushed him, hour after hour," says Vince. After batting practice, Mike knew the family was heading to Veterans Stadium to watch the Phillies from their seats behind third base.

"We never missed a ballgame," says Vince. Mike idolized the future Hall of Famer Mike Schmidt.

During the games, Vince would fill Mike's ear with the clichés of Americana. "He'd say, 'If you work hard, dreams do come true. Always believe in yourself, even when others don't. Look for an opportunity, then take it,'" recalls Mike.

The father's words were backed up by little but hot air; after all, he was only a modest success in business.

"We didn't have too many dollars back then," says Vince. For that matter, Mike wasn't such a hot player. But that didn't stop either of them.

"I always dreamed of being a major-league player," Vince says. "I prayed to God, 'Let one of these (sons) fulfill my dream.'" That approach isn't kosher according to modern child-rearing theory, which holds that any kid who is forced to make his own bed before age 16 is condemned to spend decades in psychotherapy. But that's not what Vince believed. You want it, you fight for it.

When Mike played for Phoenixville High School, each day he'd hit a hundred balls off a batting tee — a tee that was actually a highway construction cone. This kid deserves the best, thought Vince. So, he called in chits to get the boy some special hitting instruction. Business was better. Vince had some pull.

"Ted Williams came to the house when Mike was 15," says Vince, still proud of the coup. "Ted said, 'Don't change anything about that swing. But remember, that's only 50 percent. The other 50 is here,'" he said, tapping his head.

In high school, Phoenixville's field had no left- or center-field fence. Since Mike wasn't fast, how was he going to hit enough home runs to attract the attention of big-league scouts?

"There was a fence in right field and it was pretty short," says Vince. "That's how Mike learned to wait for the pitch so well, so he could pop it over that right-field fence."

The 1988 draft came and 61 rounds of it went. After 1,388 other guys had been picked, Mike still hadn't been selected.

As the Phillies pitching coach, Johnny Podres, said this week: "Mike couldn't throw. He couldn't catch the ball. He couldn't run. And his bat was so slow, he looked like he was swinging in slow motion." Who knew that Mike hadn't really started growing yet?

So, Vince took one last shot. One of his lifelong friends from Norristown, Pennsylvania, was the Dodgers' manager, Tommy Lasorda, who also is Mike's godfather. Come on, Tommy, who cares about a No. 62 draft pick? Just give him a chance.So, as a favor to a longtime friend, Lasorda got the Dodgers to waste a pick on Mike.

On Tuesday night at Veterans Stadium, Mike Schmidt threw out the ceremonial first ball for the 67th All-Star Game. He threw it to the leading vote-getter on the National League team, a guy, already playing in his fourth All-Star Game, who someday may be considered the greatest catcher in baseball history. He threw it to Mike Piazza.

On the ceremonial ball, Schmidt wrote, "You're the best." "That's when it all hit me — on that first pitch. "I'm catching Mike Schmidt, my idol. My family's in the stands in my hometown."

In his first plate appearance Tuesday night, Piazza fought off a forkball, took a forkball, then got a fastball belt-high on the inside corner. He hit it like it was sitting on a traffic cone. The distance of the home run was measured at 448 feet (137 meters), but the blow was even more impressive than that. It looked like it was trying to bore its way through the mezzanine and back to Phoenixville. In his next plate appearance, Piazza delivered a long blast to the opposite field, this time a double off the right-field wall.

"I've never seen anybody do it the way he does it," said the National League manager, Bobby Cox of the Atlanta Braves. "He hits down on the ball, but he gets backspin. That makes the ball carry. And he's one of the stronger guys in baseball. Nobody else hits most of his home runs to the opposite field."

Of course, Piazza got the game's most valuable player award. "Without a doubt, this is a small tribute to my dad," Piazza said. "I never imagined anything heroic. I'm running out of words to describe it."

So, Piazza and his father both had to cry some.

"Fortunately, I'm fulfilling my dream through him," Vince said. Of course, Vince Piazza hasn't done too badly himself. A couple of years ago, he tried to buy a toy for himself — the Chicago White Sox. He had the big bucks and wanted to move them to St. Petersburg, Florida. Baseball blocked him in its typical way: This is our country club and we don't have to tell you why you can't join.

There are hard feelings, but you'd have to have dug deep to find them Tuesday.Piazza is hitting .363 with 24 homers and 63 runs batted in. His 116 career homers have come at an earlier stage of his career than any catcher in history, and the Dodgers are just a game out of first in the NL West.

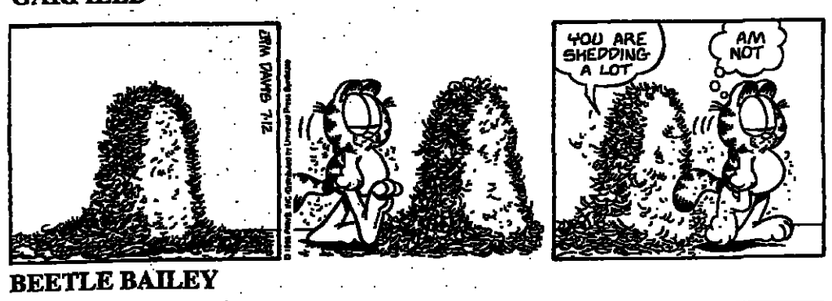
Piazza said his performance wasn't just an honor for him and a testimonial for his father. He hoped it made Tommy Lasorda's sickbed feel softer. "We're all pulling for him and we're glad he's feeling better," he said. "Me particularly, because he did so much for me."

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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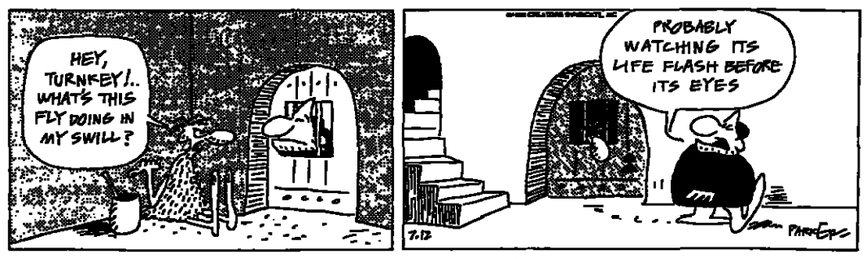
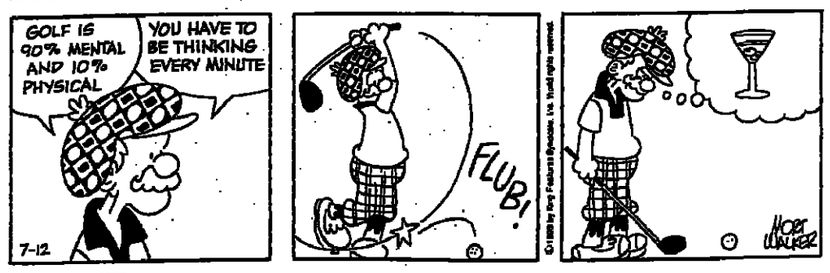


BEETLE BAILEY

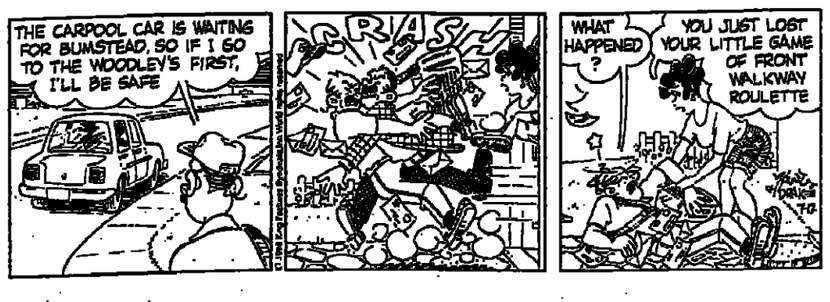


THE FAR SIDE

God as a kid tries to make a chicken in his room.

DOONESBURY

BLONDIE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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Yesterday's Jumbles: KNAVE BALKY MUUSH ORCHID
Answer: Clothes that make the man can also do this - BREAK HIM

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OBSERVER

Political Products

By Russell Baker

NEW YORK — The Republican Dole has been soundly press-whipped for scowling on television during an NBC interview with Katie Couric. This shows how lamentably the press has fallen in with the merchandising philosophy that corrupts presidential politics.

In this view candidates are merely products being marketed to gullible masses, and how in the world are you going to sell the saps a New Miracle Crispy Chief Executive Packed With Crunchy Goodness if it goes around scowling on television? Humans scowl. Products simper and smile while barkers, nowadays always called "handlers," promise twice as much of whatever you want. And for lower prices than ever before!

□

Many normally sensible political journalists have scolded Dole for his performance with Couric. The burden of their sermon is that he cannot be elected unless he stops acting human and starts behaving like a product.

This shocks me. Nothing could be more refreshing than a presidential candidate behaving like a real live man. If Dole persists in refusing to behave like a product he might end by being irresistible to millions and carry 49 states.

The Democrat Clinton, whose "handlers" shape him like a wad of warm putty to suit the public yearning of the day, is, unlike Dole, pure product.

He exists to be elected, and re-elected, and then elected again and again, and is, in the opinion of political journalists, so adept at it that, but for the two-term limitation on presidencies, Clinton might eventually become to the White House what Strom Thurmond is to the Senate.

The serious fault in Dole's performance with Couric is that it suggested a human whose mind is in a muddle. Reports of the event say he refused to denounce the evils of tobacco, then flared up against the "liberal media." He seems to feel that these "liberal media" are abusing him by harping on his close relationship over the years with tobacco money.

Dole keeps arguing that Democrats owe more to smoke than he does. True enough. Democrats and tobacco have gone together ever since Franklin Roosevelt rebuilt the party by bringing conservative Southern farm people into coalition with Yankee reformers.

Still, by keeping the argument alive Dole gives Clinton's "handlers" a pleasant opportunity to put their product in motion, and out they send him to make easy jokes about Dole's refusal to curse the demon tobacco.

It is even more disturbing to hear Dole blaming the "liberal media" for his troubles. Can Dole, a politically knowledgeable fellow of obvious intelligence, really believe the myth of the "liberal media"?

The fact, which must be obvious to an old-timer like Dole, is that the "liberal media" are a fiction created by political paranoids to discredit all journalism that annoys them. In reality there is scarcely a genuine liberal left anywhere in the United States. Today's "liberal" stands somewhere slightly to the right of President Eisenhower, which is approximately where Dole stands. Attacking "liberals," Dole connives in his own destruction.

New York Times Service

Coppola in Napa: A Vintage Production

By Suzanne Hamlin
New York Times Service

RUTHERFORD, California — Francis Ford Coppola is directing, as usual. No matter that Niebaum-Coppola is his winery here, not a movie set.

He has a grand vision for it, and the pieces are now coming together, just as they might be if he were making a film. But this enterprise has no debt to investors, no tight schedule and no demanding studio executives to stop the momentum of what is clearly a long-running labor of love.

And so, on a recent afternoon in this Napa Valley town, the 57-year-old filmmaker, wine producer and grandfather gave a tour of a property in transition.

Twenty years ago, he and his wife, Eleanor, using profits from "The Godfather," which he directed, bought 1,560 acres (710 hectares) of the Inglenook winery, founded in 1879 by Gustave Niebaum, a Finnish fur trader and sea captain. When Heublein Inc., which owned the rest of the property, put it up for sale last year, Coppola moved fast to buy it.

The timing was perfect: Thanks to his profits from "Bram Stoker's 'Dracula,'" the producer-director had $9.5 million to buy the 94.5-acre parcel, which included a large winery building. Now the Niebaum-Coppola Estate is the largest contiguous-acreage vineyard in the Napa Valley.

"There was no question we had to buy it," Coppola said. "A chance like this happens once in a lifetime." In addition to allowing him to expand his production of wines made from grapes grown on the property, the land purchase fit his plan to turn the estate into a center for celebrating food, wine and the movies.

Parts of the huge stone winery building and grounds are already open to visitors. Come fall, they will be able to see wine being made; tour a museum of movie memorabilia and winery history; watch "A Century of Taste," a 15-minute Coppola multimedia event that will tell the story of the winery; walk through a park that has a huge computer-controlled fountain; buy a meal in the café or food and wine with the Coppola label and, as they may now, perhaps catch a glimpse of the producer-director-screenwriter himself.

Originally the Coppolas planned to use the property, which included a turreted Victorian house, as a weekend retreat. But, seduced by the lush landscape and its possibilities, they have spent more time here than anywhere else.

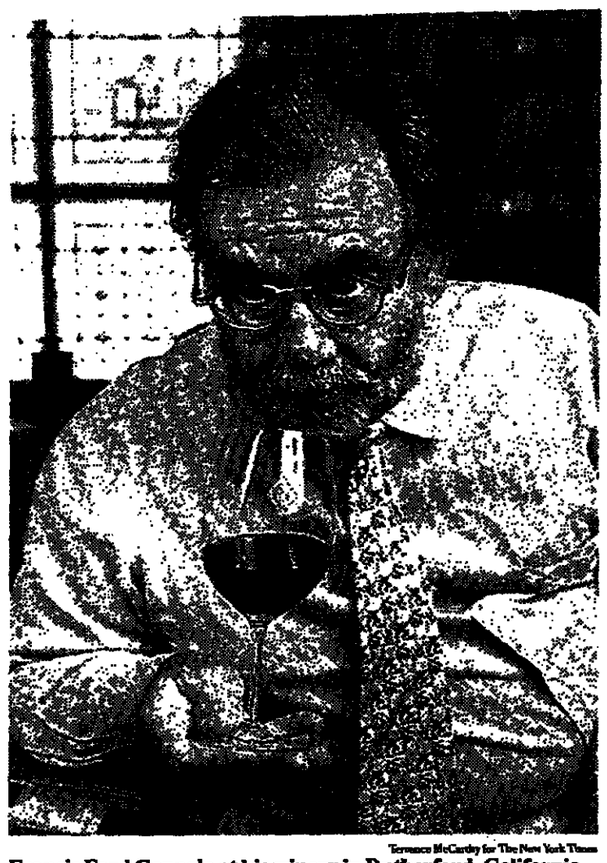
And given the land's provenance, it was impossible not to make wine, said Coppola, who is an admirer of the great Bordeaux and Burgundies of France.

The Niebaum-Coppola vineyard is perfectly situated in what is known as the Rutherford bench, a part of the Napa Valley that is singular in microclimate and soil. Wines produced here, including Inglenook's barrel-reserve cabernet sauvignon, have always been highly regarded.

The first Niebaum-Coppola wine, Rubicon, made under the direction of the wine maker Andre Tchelistcheff, was released in 1978. A blend of cabernet sauvignon, cabernet franc and merlot, Rubicon has consistently been highly rated.

The winery's cabernet franc, chardonnay, merlot and zinfandel have received respectful to wildly enthusiastic reviews. The wines are sold nationwide ($14 to $40) at wine shops and in restaurants, and all are showcased at Rubicon, the restaurant in San Francisco that Coppola owns with the actors Robin Williams and Robert De Niro and the restaurateur Drew Nieporent.

Coppola has held back from publicizing the wines personally, preferring that they be poured on their own merits. "I didn't want to be considered just another celebrity wine maker," he said. But after two decades in the business, he appears to be just as comfortable talking about phylloxera, a vine blight, as he is about movies.



Terrance McCarthy for The New York Times

Francis Ford Coppola at his winery in Rutherford, California.

"Francis is much more involved than people want to believe," said Scott McLeod, the wine maker at Niebaum-Coppola since 1991. "They want to think of him as a Hollywood person, but, as he himself says, he hasn't lived in L.A. for 30 years."

For the Coppolas, who have been married for 33 years, the property has been a life canvas. Some of Coppola's famous films were written here, and parts of at least one — "Jack," a comedy-drama with Robin Williams, which is to be released in August — were rehearsed on the grounds.

The Coppolas have a home in San Francisco near American Zoetrope, Coppola's production company, and others in New York and Paris. And there is Blancaneaux Lodge, a resort in Belize in Central America that the Coppolas built and opened in 1991 and now visit frequently. But the three Coppola children were raised in the big frame house at Niebaum-Coppola and went to the local schools.

As he continued his tour of the property, past groups of tourists, Coppola led the way up a hill to a grassy knoll where a picnic table covered with a red-checkered cloth and a phalanx of wineglasses stood under eucalyptus trees.

There were ceramic plates covered with sliced tomato and mozzarella drizzled with olive oil (made from Niebaum-Coppola olives), topped by huge, pungent basil leaves. Produced by a local cheese maker, the mozzarella had just gone on sale in the winery gift shop. Soon it will be joined by other products in the Francis Coppola Selects line: merlot vinaigrette, basil-infused olive oil, garlic olive oil, balsamic bread dipper and dressing, champagne vinegar with cranberries and juniper berries, cranberries in muscat wine, and sun-dried tomatoes in olive oil and herbs.

"We haven't tasted and approved these final editions yet," Coppola said, studying each label intently. His wife added, "It's the food we really like to eat."

Also on the table were bottles of Niebaum-Coppola chardonnay, a cabernet franc, a merlot, a zinfandel and Rubicon. The Edizione Pennino Zinfandel, named after Coppola's maternal grandfather, Francesco Pennino, is the 1994 vintage and seems perfectly ready for immediate release.

Coppola, however, insists on holding it until this fall — Columbus Day, to be precise — "when it will be perfect," he said.

Attending a Coppola wine tasting is like being a part of the ultimate food-and-wine movie, in which each frame is complete in every sensual detail.

His wife agreed, except for one thing. "This is the one set," she said, "that won't be destroyed three minutes after the film is finished."

Reuters

ROCK OPERA — A Hong Kong boy seems to tease a statue of Queen Victoria on a poster advertising an avant-garde opera on the colony's return to Chinese rule.

PEOPLE

WITH his wardrobe of colorful shirts, President Nelson Mandela has become perhaps the first statesman to break the suit-and-tie mold in Britain. The South African leader, who is in London on an official visit, went to a tree-planting ceremony wearing a gaily patterned shirt in blues, oranges and grays. At a formal state banquet at Buckingham Palace, Mandela wore a black silk-and-satin shirt, standing out from 100 other male guests who looked like carbon copies of each other in formal dinner suits. Mandela's stylist, Yusuf Surtee, said the president decided after visiting Indonesia in 1994 that he wanted a shirt that was colorful, long and comfortable. Such shirts have now become his trademark. Mandela does wear suits when the occasion calls for it, for example at a meeting with Queen Elizabeth II and for his address to parliament on Thursday.

□

Harry Morgan, the 81-year-old actor who was the beloved Colonel Sherman Potter on TV's "MASH," has been charged with beating his 70-year-old wife. Officers responding to a 911 call in Brentwood, California, on July 2 heard a woman's screams as they approached the house. They found a distraught Barbara Morgan inside, with an injured left foot, a small cut near her right eye and a bruised arm. She told officers she was injured when a quarrel with her husband turned violent. Morgan, who also played the taciturn Officer Bill Gannon on "Dragnet," posted $5,000 bail and was released. He is due to be arraigned July 23.

□

The late Ella Fitzgerald has been honored at Carnegie Hall in a classy tribute by performers who worked with her and some she inspired. Paul Smith, who played piano on all Fitzgerald's "Songbook" albums, described a concert in Uruguay where everything went wrong; Roy Eldridge laughed so much he couldn't play trumpet and Fitzgerald laughed almost as much. Bassist Ray Brown, once married to Fitzgerald, played "The Very Thought of You" with improvisations from jazz to classical. Trumpeter Harry "Sweets" Edison recalled cutting an album of 36 songs with Fitzgerald in an hour and a half. He played one he particularly liked, "Mean to Me." Lena Horne spoke but didn't sing. The concert ended with Jack Jones singing words he wrote about "the first lady of song" to the tune of "Mack the Knife." Fitzgerald, who sang in Carnegie Hall 26 times, died June 15 at the age of 79.

□

The Internet helped rescue a production of Verdi's eighth opera in Central Park. Conductor Vincent La Selva is putting on all 28 Verdi operas. But he ran into a snag before the opening of "Alzira": The opera's publisher in Rome reportedly refused to release it. La Selva found a score at the Juilliard School, and sent it to a copyist friend in Seattle who started marking in the instruments' parts. But the copyist realized he wouldn't finish in time. Enter the Internet: The copyist enlisted colleagues in New York. They discovered some trumpet parts were missing. All together, they filled in the music and sent it by e-mail to New York.

□

Britain claimed permanent possession Thursday of a 12th-century reliquary associated with Thomas à Becket after a Canadian publisher withdrew his winning auction bid. The National Heritage Memorial Fund announced that Lord Thomson of Fleet, chairman of the Thomson Corporation, had agreed to withdraw his bid of £4,181,500 ($6.51 million), made anonymously at a July 4 auction in London. The reliquary, or chasse, will be displayed at the Victoria and Albert Museum, and at Canterbury Cathedral. "The family loves the chasse and has coveted it for many years," Lord Thomson said, "but our satisfaction in being the successful bidder has been marred by the realization that the Thomson family alone would stand in the way of the chasse belonging to and remaining in this country."

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